

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, 2024
Issued December 26, 2024**

**LOUISIANA LEGISLATIVE AUDITOR
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December 17, 2024

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, 2024, 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, 2024, 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 41.72%, 36.28%, 6.89%, and 5.23%, 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, 2024, 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, 2024, 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, 2024, 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, 2024 is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2024.

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, 2023 (not presented herein), and have issued our report thereon dated December 19, 2023, 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, 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 related directly to the underlying accounting and other records used to prepare the 2023 financial statements. The information was subjected to the audit procedures applied in the audit of the 2023 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, 2023, are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2023.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2024, 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:aa

LCTCS 2024

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, 2024. 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 \$141.1 million (restated) to \$289.8 million from July 1, 2023, to June 30, 2024. The overall reasons for this change included:

Facilities Corporations

- Current and other assets decreased by \$17.1 million, or 19.9%, primarily due to the reduction of cash and investments used for purchases of capital assets of \$24.1 million offset by an increase in cash from receipt of \$7.7 million in capital gifts during the current fiscal year and \$3.2 million in net investment income; and a \$4.1 million reduction in accounts receivable.
- Capital assets, net increased \$7.3 million, or 1.6%, in comparison with the prior year. In the current fiscal year, the Facilities Corporations had \$17.5 million in current-year depreciation expense, \$23.8 million in construction-in-progress, and \$1.0 million in additional building acquisitions. The Facilities Corporations reclassified construction-in-progress totaling \$46.3 million to buildings.
- Current liabilities increased \$1.7 million, or 5.3%, mainly because of an increase in current portion of bonds payable of \$1.2 million.
- Long-term liabilities decreased \$31.5 million, or 8.3%, mainly because of \$26.5 million in bond principal payments and amortization of bond premium of \$3.8 million.

Colleges

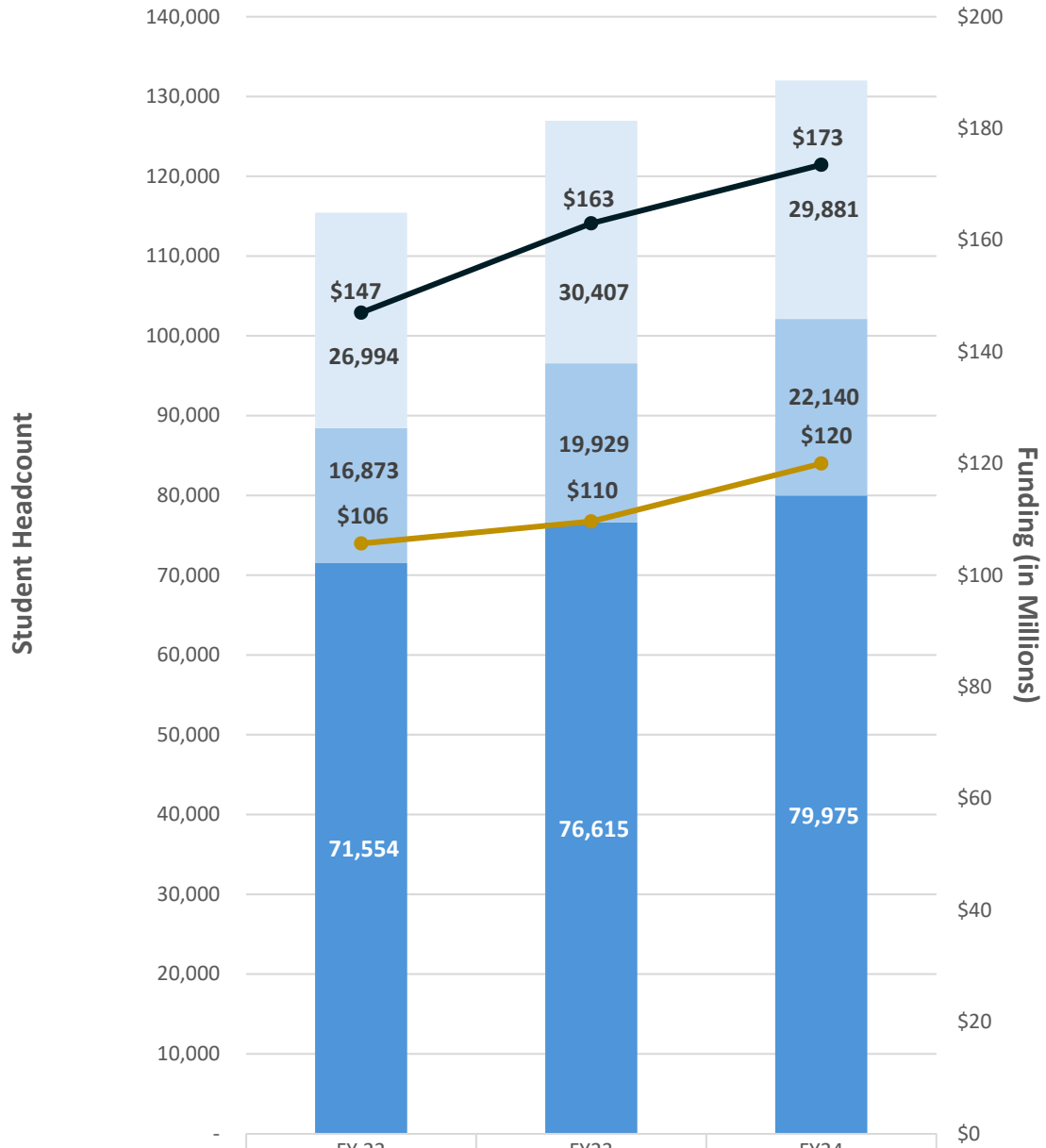
- Overall increase in student enrollment.
- Capital appropriations increased by \$12.3 million.
- Capital asset, net increased by \$75.5 million, primarily due to the receipt of a donated Boeing 707-320 JSTARS aircraft valued at \$73.5 million, offset by the related \$12.3 million in annual depreciation expense.
- Net investment income increased by \$4.4 million.
- Federal nonoperating revenues decreased by \$35.2 million.
- Net pension liability decreased by \$21.4 million, OPEB liability increased by \$16.0 million, the related deferred outflows decreased by \$6.0 million, and related deferred inflows decreased by \$23.9 million, based on actuarial valuations.

The System's operating revenues increased from \$182.1 million (restated) to \$204.2 million, or 12.2%, from July 1, 2023, to June 30, 2024. Operating expenses increased by 3.3% to \$577.2 million for the year ended June 30, 2024.

Nonoperating revenues fluctuate depending upon levels of state appropriations, as well as federal funding. Nonoperating revenues for the System decreased from \$423.0 million (restated) to \$391.3 million, or 7.5%.

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 annual unduplicated student headcount for fiscal years (FY) 2022 through FY 2024. For purposes of this chart, the state appropriation numbers do not include one-time funding.

Comparison of Funding and Student Headcount FY2022 through FY2024

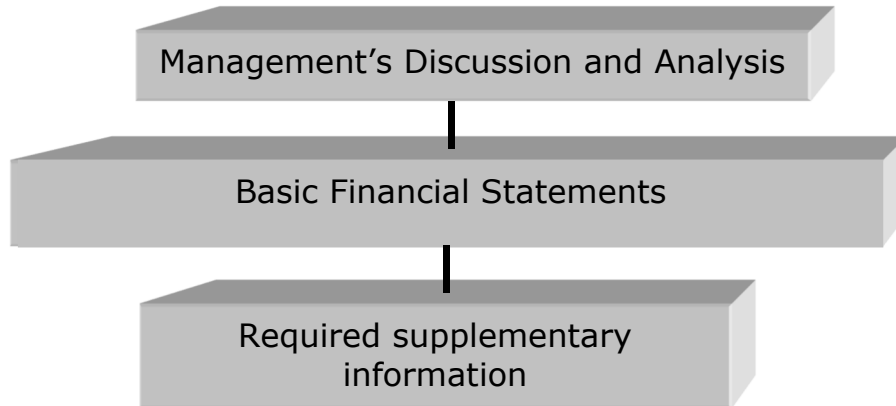


	FY 22	FY23	FY24
WorkReady U Enrollment	26,994	30,407	29,881
Workforce Enrollment	16,873	19,929	22,140
Credit Enrollment	71,554	76,615	79,975
State Appropriation	\$146,993,209	\$162,993,709	\$173,483,077
Tuition and Fees, net	\$105,662,343	\$109,614,202	\$119,989,433

Source: LCTCS Fiscal Year 2024 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, 2024, and 2023

	2024	2023 (restated)	Variance	Percentage Change
Assets:				
Current and other assets	\$435,655	\$414,007	\$21,648	5.2%
Capital assets	849,025	766,191	82,834	10.8%
Total assets	<u>1,284,680</u>	<u>1,180,198</u>	<u>104,482</u>	8.9%
Total deferred outflow of resources	<u>155,224</u>	<u>161,198</u>	<u>(5,974)</u>	(3.7%)
Total assets and deferred outflow of resources	<u>\$1,439,904</u>	<u>\$1,341,396</u>	<u>\$98,508</u>	7.3%
Liabilities:				
Current liabilities	\$108,649	\$97,713	\$10,936	11.2%
Long-term liabilities	946,108	983,397	(37,289)	(3.8%)
Total liabilities	<u>1,054,757</u>	<u>1,081,110</u>	<u>(26,353)</u>	(2.4%)
Total deferred inflow of resources	<u>95,367</u>	<u>119,153</u>	<u>(23,786)</u>	(20.0%)
Total liabilities and deferred inflow of resources	<u>\$1,150,124</u>	<u>\$1,200,263</u>	<u>(\$50,139)</u>	(4.2%)
Net Position:				
Net investment in capital assets	\$473,407	\$362,980	\$110,427	30.4%
Restricted	209,075	203,755	5,320	2.6%
Unrestricted	<u>(392,702)</u>	<u>(425,602)</u>	<u>32,900</u>	7.7%
Total net position	<u>\$289,780</u>	<u>\$141,133</u>	<u>\$148,647</u>	105.3%

Refer to Note 16 Restatement of Beginning Net Position for restatements resulting from errors

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 \$141.1 million (restated) to \$289.8 million, or 105.3%, from July 1, 2023, to June 30, 2024.

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, 2024, and 2023

	2024	2023 (restated)	Variance	Percentage Change
Operating revenues:				
Student tuition and fees, net	\$119,989	\$109,554	\$10,435	9.5%
Grants and contracts	81,678	70,814	10,864	15.3%
Sales and services of education departments	76	154	(78)	(50.6%)
Auxiliary	836	744	92	12.4%
Other	1,638	813	825	101.5%
Total operating revenues	<u>204,217</u>	<u>182,079</u>	<u>22,138</u>	12.2%
Nonoperating revenues:				
State appropriations	181,796	183,669	(1,873)	(1.0%)
Gifts	2,985	2,918	67	2.3%
Investment income	14,984	8,078	6,906	85.5%
Federal nonoperating revenues	175,047	210,292	(35,245)	(16.8%)
Other nonoperating revenues	16,485	18,051	(1,566)	(8.7%)
Total nonoperating revenues	<u>391,297</u>	<u>423,008</u>	<u>(31,711)</u>	(7.5%)
Total revenues	<u>595,514</u>	<u>605,087</u>	<u>(9,573)</u>	(1.6%)
Operating expenses:				
Educational and general:				
Instruction	180,498	173,676	6,822	3.9%
Public service	888	904	(16)	(1.8%)
Academic support	59,872	58,437	1,435	2.5%
Student services	39,579	38,466	1,113	2.9%
Institutional support	102,378	99,632	2,746	2.8%
Operations and maintenance of plant	55,395	59,051	(3,656)	(6.2%)
Depreciation and amortization	51,699	36,446	15,253	41.9%
Scholarships and fellowships	85,847	90,601	(4,754)	(5.2%)
Auxiliary enterprises	1,050	1,343	(293)	(21.8%)
Other operating expenses	0	(18)	18	100.0%
Total operating expenses	<u>577,206</u>	<u>558,538</u>	<u>18,668</u>	3.3%
Nonoperating expenses:				
Interest expense	9,994	10,621	(627)	(5.9%)
Total nonoperating expenses	<u>9,994</u>	<u>10,621</u>	<u>(627)</u>	(5.9%)
Total expenses	<u>587,200</u>	<u>569,159</u>	<u>18,041</u>	3.2%
Income before other revenues	<u>8,314</u>	<u>35,928</u>	<u>(27,614)</u>	(76.9%)
Capital appropriations	61,262	46,568	14,694	31.6%
Capital grants and gifts	77,105	12,813	64,292	501.8%
Additions to permanent endowment	1,966	1,157	809	69.9%
Other revenues	<u>140,333</u>	<u>60,538</u>	<u>79,795</u>	131.8%
Change in net position	<u>148,647</u>	<u>96,466</u>	<u>52,181</u>	54.1%
Net position at beginning of year, restated*	<u>141,133</u>	<u>44,667</u>	<u>96,466</u>	216.0%
Net position at end of year	<u>\$289,780</u>	<u>\$141,133</u>	<u>\$148,647</u>	105.3%

*Refer to Note 16 Restatement of Beginning Net Position for restatements resulting from errors

The System's operating revenues increased from \$182.1 million (restated) to \$204.2 million, or 12.2%, from July 1, 2023, to June 30, 2024. Operating expenses increased by approximately 3.3% to \$577.2 million for the year ended June 30, 2024.

Nonoperating revenues fluctuate depending upon levels of state appropriations, as well as federal funding. Nonoperating revenues for the System decreased from \$423.0 million (restated) to \$391.3 million, or 7.5%. The decrease is due primarily to a decrease in COVID-19 federal funding offset by an increase in federal nonoperating revenues.

Capital grants and gifts increased by \$64.3 million primarily due to the donated Boeing 707-320 JSTARS aircraft valued at \$73.5 million.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2024, the System had invested approximately \$849.0 million in capital assets, net of accumulated depreciation. This amount represents a net increase (including additions and disposals, net of depreciation) of approximately \$82.8 million, or 10.8%, from the previous fiscal year, primarily due to:

- A net increase of \$7.3 million in capital assets for the LCTCS Facilities Corporations.
- Increase in capital assets primarily due to the receipt of a donated Boeing 707-320 JSTARS aircraft valued at \$73.5 million, offset by the related \$12.3 million in annual depreciation expense.

Table A-3
Louisiana Community and Technical College System
Capital Assets, Net of depreciation and amortization
(in thousands of dollars)
As of June 30, 2024, and 2023

	2024	2023 (restated)	Variance	Percentage Change
Land and improvements	\$66,335	\$65,737	\$598	0.9%
Construction-in-progress	45,874	48,339	(2,465)	(5.1%)
Buildings	630,299	603,056	27,243	4.5%
Equipment	100,369	42,274	58,095	137.4%
Software	1,420	1,202	218	18.1%
Right-to-use buildings	99	293	(194)	(66.2%)
Right-to-use equipment	698	203	495	243.8%
Right-to-use SBITA	3,931	5,087	(1,156)	(22.7%)
Total Capital Assets	<u>\$849,025</u>	<u>\$766,191</u>	<u>\$82,834</u>	10.8%

Debt

The System had \$377.2 million in bonds outstanding at year-end, compared to \$407.5 million (restated) last year, a decrease of 7.4%. The net decrease is primarily due to the following:

- Current-year principal payments of \$26.5 million.
- Reduction of bond premiums and discounts of \$3.8 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.
- 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 \$250 million in the state general fund.
- 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 to 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, 2024**

ASSETS

Current assets:

Cash and cash equivalents (note 2)	\$274,222,554
Receivables, net (note 4)	38,728,554
Leases receivable (note 5)	130,124
Due from State Treasury	16,940,771
Due from federal government	15,082,527
Inventories	15,088
Prepaid expenses and advances	2,294,270
Other current assets	16,866
Total current assets	<u>347,430,754</u>

Noncurrent assets:

Restricted assets:

Cash and cash equivalents (note 2)	64,114,484
Investments (note 3)	18,964,899
Receivables, net (note 4)	1,028,524
Other	18,554
Leases receivable (note 5)	181,546
Capital assets, net (note 6)	849,025,344
Other noncurrent assets	3,916,693
Total noncurrent assets	<u>937,250,044</u>
Total assets	<u>1,284,680,798</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pensions (note 7)	114,194,370
Deferred outflows related to other postemployment benefits (OPEB) (note 9)	41,029,717
Total deferred outflows of resources	<u>155,224,087</u>

LIABILITIES

Current liabilities:

Accounts payable and accruals (note 10)	38,979,810
Due to federal government	19,289
Unearned revenues (note 11)	23,036,273
Amounts held in custody for others	143,763
Compensated absences payable (notes 12 and 14)	1,824,235
Lease liability (notes 13 and 14)	290,496
SBITA liability (notes 13 and 14)	1,736,754
Notes payable (note 14)	225,000
OPEB liability (note 9)	10,104,601
Bonds payable, net (note 14)	27,625,000
Other current liabilities	4,663,935
Total current liabilities	<u>108,649,156</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, 2024**

LIABILITIES (CONT.)

Noncurrent liabilities:

Compensated absences payable (notes 12 and 14)	\$22,153,060
Lease liability (notes 13 and 14)	424,134
SBITA liability (notes 13 and 14)	1,670,928
Notes payable (note 14)	1,140,000
Net pension liability (note 7)	332,904,121
OPEB liability (note 9)	238,253,694
Bonds payable, net (note 14)	349,562,487
Total noncurrent liabilities	<u>946,108,424</u>
Total liabilities	<u>1,054,757,580</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to pensions (note 7)	31,710,618
Deferred inflows related to OPEB (note 9)	63,345,262
Deferred inflows related to leases (note 5)	311,116
Total deferred inflows of resources	<u>95,366,996</u>

NET POSITION

Net investment in capital assets	473,406,984
Restricted:	
Nonexpendable (note 15)	14,251,420
Expendable (note 15)	194,823,712
Unrestricted	(392,701,807)
Total net position	<u><u>\$289,780,309</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, 2024**

OPERATING REVENUES

Student tuition and fees	\$224,667,153
Less scholarship allowances	(104,677,720)
Net student tuition and fees	<u>119,989,433</u>
Federal grants and contracts	50,310,043
State and local grants and contracts	27,569,331
Nongovernmental grants and contracts	3,798,510
Sales and services of educational departments	75,797
Auxiliary enterprise revenues	835,947
Other operating revenues	<u>1,638,470</u>
Total operating revenues	<u>204,217,531</u>

OPERATING EXPENSES

Educational and general:	
Instruction	180,498,056
Public service	888,271
Academic support	59,871,360
Student services	39,579,320
Institutional support	102,377,641
Operations and maintenance of plant	55,394,947
Depreciation and amortization	51,699,374
Scholarships and fellowships	85,846,932
Auxiliary enterprises	<u>1,050,254</u>
Total operating expenses	<u>577,206,155</u>

OPERATING LOSS	<u>(372,988,624)</u>
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(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, 2024**

NONOPERATING REVENUES (Expenses)

State appropriations	\$181,795,577
Gifts	2,985,090
Federal nonoperating revenues	155,979,811
COVID-19 federal funding	19,066,895
Net investment income	14,984,225
Interest expense	(9,993,961)
Other nonoperating revenues, net	16,484,597
Net nonoperating revenues	<u>381,302,234</u>
INCOME BEFORE OTHER REVENUES AND ADDITIONS	8,313,610
Capital appropriations	61,261,565
Capital grants and gifts	77,105,054
Additions to permanent endowments	<u>1,966,520</u>
INCREASE IN NET POSITION	148,646,749
NET POSITION - BEGINNING OF YEAR (note 16)	129,948,286
Net position restatement - error correction (note 16)	<u>11,185,274</u>
NET POSITION - END OF YEAR	<u><u>\$289,780,309</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, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES:

Tuition and fees	\$116,203,021
Grants and contracts	91,160,595
Sales and services of educational departments	75,796
Auxiliary enterprise receipts	709,156
Payments for employee compensation	(225,504,609)
Payments for benefits	(89,862,077)
Payments for utilities	(13,887,769)
Payments for supplies and services	(128,174,318)
Payments for scholarships and fellowships	(85,894,309)
Other receipts, net	2,207,764
Net cash used by operating activities	<u>(332,966,750)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

State appropriations	180,980,750
Gifts and grants for other than capital purposes	175,352,850
Private gifts for endowment purposes	1,846,520
COVID-19 federal funding receipts	9,341,136
Taylor Opportunity Program for Students (TOPS) receipts	9,998,397
TOPS disbursements	(9,966,136)
M.J. Foster Promise Program receipts	3,622,515
M.J. Foster Promise Program disbursements	(3,614,940)
Direct lending receipts	147,643,698
Direct lending disbursements	(147,645,183)
Other receipts	1,115,487
Net cash provided by noncapital financing activities	<u>368,675,094</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Capital appropriations received	43,927,485
Capital grants and gifts received	7,687,114
Proceeds from sale of capital assets	8,721
Receipts from lessor leases	52,560
Purchases of capital assets	(44,394,408)
Principal paid on capital debt and leases	(26,878,896)
Interest paid on capital debt and leases	(14,067,602)
Payments for intangible right-to-use assets	(2,443,583)
Other uses	(956,851)
Net cash used by capital and related financing activities	<u>(37,065,460)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturities of investments	21,687,885
Interest received on investments	14,117,144
Purchase of investments	(1,684,460)
Net cash provided by investing activities	<u>34,120,569</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, 2024**

NET INCREASE IN CASH AND CASH EQUIVALENTS	\$32,763,453
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (Restated)	<u>305,573,585</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$338,337,038</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:	
Operating loss	(\$372,988,624)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation/amortization expense (note 6)	51,699,374
Nonemployer contributing entity revenue	4,677,917
Noncash capital expense	5,565
Noncash insurance recoveries	530,689
Changes in assets, deferred outflows, liabilities, and deferred inflows:	
(Increase) in accounts receivables, net	(4,058,274)
(Increase) in due from other funds	(79,666)
(Increase) in inventories	(649)
(Increase) in prepaid expenses and advances	(197,835)
Decrease in other assets	54,287
Decrease in deferred outflows related to pensions	4,027,857
Decrease in deferred outflows related to OPEB	1,946,160
(Decrease) in accounts payable and accrued liabilities	(972,611)
Increase in unearned revenue	9,865,679
(Decrease) in amounts held in custody for others	(68,289)
Increase in compensated absences	578,307
(Decrease) in net pension liability	(21,425,243)
Increase in OPEB liability	16,032,771
Increase in other liabilities	1,139,529
Increase in deferred inflows related to pensions	3,688,188
(Decrease) in deferred inflows related to OPEB	(27,577,282)
Increase in deferred inflows related to leases	<u>155,400</u>
Net cash used by operating activities	<u><u>(\$332,966,750)</u></u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION:	
Cash and cash equivalents classified as current assets	\$274,222,554
Cash and cash equivalents classified as noncurrent assets	<u>64,114,484</u>
Cash and cash equivalents at end of year	<u><u>\$338,337,038</u></u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:	
Noncash capital appropriation, grant, and/or gift of capital assets	\$90,661,247
Noncash grants and gifts	\$132,475
Noncash insurance recoveries used for construction in progress	\$1,025,277
Net (Loss) on disposal of capital assets	(\$3,232,351)
Unrealized gain on investments	\$987,084
Amortization of bond premium	\$3,829,531
Amortization of bond issuance costs	\$449,127
Federal nonoperating receivables	\$1,736,781
COVID-19 federal funding receivables	\$4,820,719
Retainage payable	\$701,262
Other nonoperating accounts and contracts payable	\$156,124
Other current liabilities - interest payable	\$3,007,532
Loss on early termination of SBITA's	(\$150,616)

(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. 100 – *Accounting Changes and Error Corrections*, issued by the Government Accounting Standards Board. The objectives of this Statement are to establish accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). The impact of this change is presented in Note 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 financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023 (state fiscal year 2024). The adoption of this portion of this standard had no impact on the System's financial statements or notes to the financial statements.

On January 1, 2023, the Campus Facilities, Inc. adopted ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which replaces the incurred loss methodology with an expected loss methodology for calculating an allowance for assets that are measured at amortized cost, such as accounts receivable. This is referred to as the current expected credit loss ("CECL") methodology. The adoption of this standard did not have a material impact on the Campus Facilities, Inc. financial statements.

On January 1, 2023, the LCTCS Facilities Corporation adopted Accounting Standards Update (ASU) 2016- 13 and all subsequent ASUs that modified ASU 2016-13, which have been codified under ASC 326, *Financial Instruments - Credit Losses*. The LCTCS Facilities Corporation adopted this guidance using the modified retrospective approach, as required, and has not adjusted prior period comparative information and will continue to disclose prior period financial information in accordance with previous accounting guidance. Adoption of ASC 326 to the estimate of the allowance for credit losses was insignificant.

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, 2024, the System has cash and cash equivalents (book balances) of \$338,337,038 as follows:

Demand deposits	\$110,769,261
Money Market Demand Accounts	8,421,136
Cash equivalents - money market funds	61,559,032
Short-term investment - Louisiana Asset Management Pool	156,492,977
Cash held in foundation	1,078,057
Petty cash	<u>16,575</u>
Total	<u><u>\$338,337,038</u></u>

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

Current assets	\$274,222,554
Noncurrent assets	<u>64,114,484</u>
Total	<u><u>\$338,337,038</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, 2024, \$303,355 of the System's bank balance of \$121,855,893 was exposed to custodial credit risk, as these balances were uninsured and uncollateralized. As of June 30, 2024, demand deposits totaling \$631,177 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. At December 31, 2023, the Delta Campus Facilities Corporation held cash in excess of Federal Deposit Insurance Corporation coverage of approximately \$164,993. 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, 2024, the System has short-term investments reported on the Statement of Net Position as cash equivalents totaling \$156,492,977.

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 (WAM) of LAMP assets is restricted to not more than 60 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 WAM for LAMP's total investments is 43 days as of June 30, 2024.

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, 2024, the System has restricted investments totaling \$18,964,899 as follows:

Type of Investment	Percentage of Investments	Credit Quality Rating	Fair Value
Corporate bonds - DCC	0.314%	BBB	\$59,498
Corporate bonds - DCC	0.515%	BBB+	97,717
Corporate bonds - DCC	2.310%	BBB	438,051
Corporate bonds - DCC	3.919%	BBB	743,186
Equity Securities - DCC ¹	2.808%		532,464
Municipal bonds - DCC ²	0.261%		49,535
Open-end mutual funds - LDCC ²	0.292%		55,475
Open-end mutual funds - LDCC	0.051%	AA	9,766
Open-end mutual funds - LDCC ²	0.739%		140,090
Open-end mutual funds - DCC ²	9.467%		1,795,369
Open-end mutual funds - LDCC ²	3.116%		590,942
U.S. agency obligations - DCC ²	2.346%		444,841
U.S. government obligations - DCC ¹	5.097%		966,678
Non-negotiable certificates of deposit - CLTCC	1.533%		290,736
Investments held by private foundation -			
Corporate bonds - FTCC	0.584%	BBB-	110,833
Corporate bonds - NCC	0.200%	A-2	37,993
Corporate bonds - NCC	0.111%	A-3	21,092
Corporate bonds - NCC	0.076%	A-1	14,496
Equity Securities - NCC ¹	0.938%		177,990
Equity Securities - SLCC ¹	7.419%		1,406,974
External investment pools -BRCC	4.266%	AAA	809,099
Open-end mutual funds - BPCC	1.974%	AAA	374,369
Open-end mutual funds - RPCC	0.566%	BBB	107,328
Open-end mutual funds - SLCC	6.579%	A	1,247,693
Open-end mutual funds - STCC ²	1.443%		273,585
Open-end mutual funds - STCC	1.395%	BBB+	264,516
Open-end mutual funds - STCC ²	0.452%		85,681
Open-end mutual funds - BPCC ²	7.623%		1,445,631
Open-end mutual funds - FTCC ²	2.720%		515,897
Open-end mutual funds - NCC ²	1.191%		225,918
Open-end mutual funds - NTCC ²	6.348%		1,203,950
Open-end mutual funds - RPCC ²	1.426%		270,463
Open-end mutual funds - STCC ²	6.946%		1,317,332
U.S. agency obligations - CLTCC ¹	1.529%		290,000
U.S. agency obligations - FTCC	0.647%	AAA	122,615
U.S. government obligations - NCC ¹	0.072%		13,563
U.S. government obligations - NCC ¹	0.791%		149,969
Facilities Corporations:			
U.S. government and agency obligations - LCTCS Facilities Corporation	10.090%		1,913,564
Certificate of deposit - Delta Campus Facilities Corporation	1.846%		350,000
Total	100.00%		\$18,964,899

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	\$1,338,452	\$59,498	\$743,186	\$97,717	\$438,051
Open-end mutual funds - LDCC	205,331			55,475	149,856
Municipal bonds - DCC	49,535			49,535	
U.S. agency obligations - DCC	444,841				444,841
U.S. government obligations - DCC	966,678				966,678
Investments held by private foundation -					
Corporate bonds - FTCC	110,833			110,833	
Corporate bonds - NCC	73,581	14,496	37,993	21,092	
External investment pools - BRCC	809,099	809,099			
Open-end mutual funds - BPCC	374,369		374,369		
Open-end mutual funds - RPCC	107,328			107,328	
Open-end mutual funds - SLCC	1,247,693		1,247,693		
Open-end mutual funds - STCC	623,782		273,585	264,516	85,681
U.S. agency obligations - FTCC	122,615			122,615	
U.S. government obligations - NCC	149,969			149,969	
Total	<u>\$6,624,106</u>	<u>\$883,093</u>	<u>\$2,676,826</u>	<u>\$979,080</u>	<u>\$2,085,107</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 \$2,591,642 and investments held by the private foundations of \$10,486,987 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 \$2,263,564 and money market funds totaling \$60,923,318 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, 2024, are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets Level 1	Other Observable Inputs Level 2
Corporate bonds - DCC	\$1,338,452		\$1,338,452
Equity securities - DCC	532,464	\$532,464	
Open-end mutual funds - LDCC	796,273	796,273	
Open-end mutual funds - DCC	2,431,083	1,795,369	635,714 *
U.S. agency obligations - DCC	444,841		444,841
U.S. government obligations - DCC	966,678		966,678
Municipal bonds - DCC	49,535		49,535
Investments held by private foundation -			
Corporate bonds - FTCC	110,833	110,833	
Corporate bonds - NCC	73,581	73,581	
Equity securities - NCC	177,990	177,990	
Equity securities - SLCC	1,406,974	1,406,974	
External investment pools - BRCC	809,099	809,099	
Open-end mutual funds - BPCC	1,820,000	1,820,000	
Open-end mutual funds - RPCC	377,791	377,791	
Open-end mutual funds - SLCC	1,247,693	1,247,693	
Open-end mutual funds - STCC	1,941,114	1,941,114	
Open-end mutual funds - FTCC	515,897	515,897	
Open-end mutual funds - NCC	225,918	225,918	
Open-end mutual funds - NTCC	1,203,950	1,203,950	
U.S. agency obligations - FTCC	122,615	122,615	
U.S. government obligations - NCC	149,969	149,969	
Facilities Corporations			
Money market funds - Delta Campus Facilities Corporation	2,595,195	2,595,195 *	
U.S. government and agency Obligations - LCTCS Facilities Corporation	1,913,564		1,913,564
Total	<u>\$21,251,509</u>	<u>\$15,902,725</u>	<u>\$5,348,784</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, 2024. These receivables are composed of the following:

	Receivables	Allowance for Doubtful Accounts	Receivables, Net	Restricted Noncurrent Portion
Student tuition and fees	\$37,506,637	(\$13,407,220)	\$24,099,417	
Auxiliary enterprise	158,788		158,788	
Contributions and gifts	734,587		734,587	\$145,346
State and private grants and contracts	8,839,491		8,839,491	883,178
Due from state - insurance recoveries	1,425,130		1,425,130	
Other	4,499,665		4,499,665	
Total	<u>\$53,164,298</u>	<u>(\$13,407,220)</u>	<u>\$39,757,078</u>	<u>\$1,028,524</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 3 to 16 years. The System recognized \$130,167 in aggregate lease revenue and \$348 in interest revenue during the current fiscal year. As of June 30, 2024, the System's aggregate lease receivable balance for lease payments was \$311,670. 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, 2024, the balance of the deferred inflow of resources was \$311,116. Information about lease revenues and interest revenues recognized during fiscal year 2024, as well as receivable and deferred inflows of resources amounts recognized as of June 30, 2024 are presented per asset class in the table below:

Asset Classes	Lease Revenue	Interest Revenue	Leases Receivable June 30, 2024	Deferred Inflows of Resources June 30, 2024
Buildings/Office Space	\$122,700	\$255	\$222,745	\$222,470
Land	7,467	93	88,925	88,646
Total	<u>\$130,167</u>	<u>\$348</u>	<u>\$311,670</u>	<u>\$311,116</u>

As of October 1, 2023, 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's Blair Campus (Jefferson 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 College. The agreement includes a rental component based on phases of pre-construction and construction commencement. During pre-construction phase, estimated from April 1, 2024 through October 1, 2025, rent is set at \$1,000 per month, and at construction commencement rent is set at \$25,000 per month paid quarterly with an annual 2% adjustment every September 1, but not to exceed the annual Medicaid inflationary adjustment appropriated by the Legislature for the ensuing fiscal year. As of June 30, 2024, the College has received \$3,000 in pre-construction rent.

6. CAPITAL ASSETS

A summary of changes in capital assets for the fiscal year ended June 30, 2024, follows:

	Balance June 30, 2023	Prior Period Adjustment	Restated Balance June 30, 2023	Additions	Reclassification of Construction- in-progress	Retirements	Balance June 30, 2024
Capital assets not being depreciated:							
Land	\$55,238,351		\$55,238,351	\$803,360			\$56,041,711
Land improvements	3,012,419		3,012,419	51,375			3,063,794
Construction-in-progress	48,338,705		48,338,705	47,116,969	(\$49,581,579)		45,874,095
Total assets not being depreciated	106,589,475	NONE	106,589,475	47,971,704	(49,581,579)	NONE	104,979,600
Capital assets being depreciated/amortized:							
Land improvements	17,266,475		17,266,475	399,394	113,095	(\$15,702)	17,763,262
Buildings	876,529,846	\$14,306,167	890,836,013	3,177,068	49,254,448	(6,713,116)	936,554,413
Equipment (including library books)	173,327,866	153,181	173,481,047	83,124,407	214,036	(3,798,925)	253,020,565
Software (internally generated and purchased)	23,517,963		23,517,963	844,746			24,362,709
Right-to-use buildings	579,289		579,289				579,289
Right-to-use equipment	266,223		266,223	615,056			881,279
Right-to-use SBITA	7,307,198		7,307,198	1,784,611		(1,059,260)	8,032,549
Total assets being depreciated	1,098,794,860	14,459,348	1,113,254,208	89,945,282	49,581,579	(11,587,003)	1,241,194,066
Less accumulated depreciation:							
Land improvements	(9,780,241)		(9,780,241)	(763,567)		10,601	(10,533,207)
Buildings	(287,780,383)		(287,780,383)	(22,062,165)		3,586,983	(306,255,565)
Equipment	(131,176,687)	(30,636)	(131,207,323)	(25,142,149)		3,697,808	(152,651,664)
Software (internally generated and purchased)	(21,904,551)	(411,132)	(22,315,683)	(626,803)			(22,942,486)
Less accumulated amortization:							
Right-to-use buildings	(286,323)		(286,323)	(193,421)			(479,744)
Right-to-use equipment	(62,848)		(62,848)	(120,874)			(183,722)
Right-to-use SBITA	(2,220,183)		(2,220,183)	(2,790,395)		908,644	(4,101,934)
Total accumulated depreciation/amortization	(453,211,216)	(441,768)	(453,652,984)	(51,699,374)		8,204,036	(497,148,322)
Capital assets, net	\$752,173,119	\$14,017,580	\$766,190,699	\$86,217,612	\$0	(\$3,382,967)	\$849,025,344

The June 30, 2023, balance of capital assets has been adjusted by \$14,017,580 to reflect prior-period adjustments. Of this amount, \$14,306,167 was attributable to the insurance proceeds claimed and used by the State of Louisiana to reconstruct SOWELA Technical Community College's Arts and Humanities building impaired by Hurricane Laura which was not recorded in FY 2023 by the LCTCS Facilities Corporation. The other restatements resulted from other corrections of prior-year errors. One building with a total carrying value of \$180,909 remains idle at June 30, 2024, due to damages resulting from Hurricane Laura.

7. PENSION LIABILITY

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 the 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 (PRSAC), 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 2024 totaled \$7,750,905, with regular plan active member contributions ranging from 7.5% to 8%, and employer contributions of 41.3% of covered payroll. The proportionate share of Legislative Acts contributions to LASERS totaled \$3,229,382, and were recognized as revenue in fiscal year 2024 by the System. Employer defined benefit plan contributions to TRSL for fiscal year 2024 totaled \$42,572,177, with regular plan active member contributions of 8%, and employer contributions of 20.16% for ORP members, and 23.3% to 24.1% 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 \$1,448,533, and were recognized as revenue in fiscal year 2024 by the System.

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

At June 30, 2024, the System reported liabilities of \$57,406,110 and \$275,498,011 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, 2023, 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, 2023, by the fiscal year 2024 employer actuarially required contribution rates. As of June 30, 2023, the most recent measurement date, the System's proportions and the changes in proportions from the prior measurement date were 0.85764%, or a decrease of 0.08015%, for LASERS, and 3.04775%, or an increase of 0.07898%, for TRSL.

For the year ended June 30, 2024, the System recognized a total pension expense of \$41,291,802 for defined benefit plans, or \$4,397,126 and \$36,894,676 for LASERS and TRSL, respectively. At June 30, 2024, 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		
	LASERS	TRSL	Total	LASERS	TRSL	Total
Differences between expected and actual experience	\$1,242,672	\$12,938,153	\$14,180,825		\$15,641	\$15,641
Changes of assumptions		12,425,388	12,425,388		8,983,358	8,983,358
Net difference between projected and actual earnings on pension plan investments	328,178	18,858,821	19,186,999			
Changes in proportion and differences between employer contributions and proportionate share of contributions	507,919	17,570,157	18,078,076	\$3,264,166	19,447,453	22,711,619
Employer contributions subsequent to the measurement date	7,750,905	42,572,177	50,323,082			
Total	<u>\$9,829,674</u>	<u>\$104,364,696</u>	<u>\$114,194,370</u>	<u>\$3,264,166</u>	<u>\$28,446,452</u>	<u>\$31,710,618</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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year	LASERS	TRSL	Total
2025	(\$1,187,105)	\$7,914,993	\$6,727,888
2026	(\$2,073,134)	(\$7,635,723)	(\$9,708,857)
2027	\$2,827,425	\$30,366,634	\$33,194,059
2028	(\$752,585)	\$2,700,161	\$1,947,576

Actuarial Assumptions and Methodologies

The total pension liabilities for LASERS and TRSL in the June 30, 2023, actuarial valuations were determined using the following actuarial assumptions and methodologies:

	LASERS	TRSL
Valuation Date	June 30, 2023	June 30, 2023
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%, net of investment expense	7.25%, net of investment expense*
Inflation Rate	2.3% per annum	2.4% 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: Pub2010T - Below Median Employee (amount weighted) tables, adjusted by 0.965 for males and by 0.942 for females.</p> <p>Non-disabled retiree/inactive members: Pub2010T-Below Median Retiree (amount weighted) tables, adjusted by 1.173 for males and by 1.258 for females</p> <p>Disabled retiree members: Pub2010T-Disability (amount weighted) tables, adjusted by 1.043 for males and by 1.092 for females</p> <p>Contingent survivor mortality members: Pub2010T-Below Median-Contingent Survivor (amount weighted) tables, adjusted by 1.079 for males and by 0.919 for females</p> <p>Mortality base tables were adjusted from 2010 to 2019 (base year, representing the mid-point of the experience study) with continued future mortality improvement using the MP-2021 improvement table on a fully generational basis.</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 (2018-2022) 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 2018-2022 experience study of the plan's members. The projected salary increase for regular plan members ranges from 2.41% to 4.85% 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, 2023, valuations include the following changes in assumptions:

- The TRSL inflation rate, mortality, termination, retirement, disability, and salary increase assumptions were updated to reflect the results of the most recent experience study of the plan's members observed for the period of July 1, 2017 through June 30, 2022.

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% for LASERS, and 2.4% for TRSL, and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term nominal rate of return is 8.19%, and 8.72%, 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, 2023, 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%	0.80%
Domestic equity	34.00%	4.45%
International equity	18.00%	5.44%
Domestic fixed income	3.00%	2.04%
International fixed income	17.00%	5.33%
Alternative investments	28.00%	8.19%
Total	<u>100.00%</u>	5.75%
TRSL (arithmetic)		
Domestic equity	22.50%	4.55%
International equity	11.50%	5.01%
Domestic fixed income	8.00%	2.20%
International fixed income	6.00%	-0.29%
Private Equity	37.00%	8.24%
Other Private Assets	15.00%	4.32%
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 Discount Rate</u>	<u>1.0% Increase</u>
	(6.25%) LASERS	(7.25%) LASERS	(8.25%) LASERS
	<u>(6.25%) TRSL</u>	<u>(7.25%) TRSL</u>	<u>(8.25%) TRSL</u>
LASERS	\$75,168,564	\$57,406,110	\$42,357,556
TRSL	\$390,253,006	\$275,498,011	\$178,952,460

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, 2024, the System had \$714,745 and \$3,344,293 in payables to LASERS and TRSL, respectively, for the June 2024 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 2024 totaled \$7,574,869, which represents pension expense for the System. Employee contributions totaled \$2,295,433. The fiscal year 2024 employee and employer contribution rates were 8% and 6.2%, respectively, with an additional employer contribution of 20.16% (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 defined-benefit, multiple-employer other post-employment benefit plan. 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.

Employer contributions are based on plan premiums and the employer contribution percentage. Premium amounts vary depending on the health plan selected and if the retired member has Medicare coverage. OGB offers retirees four self-insured

healthcare plans and one fully insured plan through Vantage Medical Home HMO. The Vantage HMO and Vantage Medicare Advantage plans termed effective December 31, 2023. Effective January 1, 2024, no fully insured health plan is available to Non-Medicare Retirees. In addition, retirees who have Medicare Part A and Part B coverage also have access to three fully insured Medicare Advantage plans through People’s Health, Humana, and Blue Cross, and an Individual Medicare Market Exchange product through Via Benefits that provides monthly health reimbursement arrangement credits.

The employer contribution percentage is based on the date of participation in an OGB plan and employee years of service at retirement. Employees who begin participation or rejoin 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 those beginning participation or rejoining on or after January 1, 2002, the percentage of premiums contributed by the employer and retiree is based on the following schedule:

<u>OGB Participation</u>	<u>Employer Contribution Percentage</u>	<u>Retiree Contribution Percentage</u>
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 spousal coverage. 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, 2024, totaled \$10,104,601.

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 2024, neither the System nor the state of Louisiana made contributions to a postemployment benefits plan trust. There are no assets accumulated in a trust that meet the criteria of paragraph 4 of GASB Statement 75. The plan is funded 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 become due.

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

At June 30, 2024, the System reported a liability of \$248,358,295 for its proportionate share of the total collective OPEB liability, of which \$10,104,601 is current and the remaining \$238,253,694 is noncurrent. The total collective OPEB liability was measured as of July 1, 2023, and was determined by an actuarial valuation as of that date.

The System's proportionate share percentage is based on the employer's individual Total OPEB liability (TOL) in relation to the combined TOL for all participating entities included in the State of Louisiana reporting entity. At July 1, 2023, the most recent measurement date, the System's proportion and the change in proportion from the prior measurement date was 3.4744%, or an increase of 0.0318%.

For the year ended June 30, 2024, the System recognized total OPEB expense of \$506,281. At June 30, 2024, the System 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	\$5,012,275	
Changes of assumptions or other inputs	15,656,903	\$51,941,595
Changes in employer's proportionate share	8,862,446	8,688,889
Difference between change in employer's proportionate share of benefit payments and actual benefit payments	1,393,492	2,714,778
Employer's benefit payments made subsequent to the measurement date	<u>10,104,601</u>	
Total	<u>\$41,029,717</u>	<u>\$63,345,262</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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	Net Amount Recognized in OPEB Expense
2025	(\$11,605,970)
2026	(\$14,858,201)
2027	(\$7,258,352)
2028	\$1,302,376

Actuarial Assumptions

The total collective OPEB liability in the July 1, 2023, 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, 2023
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	4.13% based on June 30, 2023, Standard & Poor's 20-year municipal bond index rate.
Healthcare cost trend rates	7.00% for pre-Medicare eligible members grading down by .25% each year, beginning in 2025-2026, to an ultimate rate of 4.5% in 2035 and thereafter; 6.50% for post-Medicare eligible members grading down by .25% each year, beginning in 2025-2026, to an ultimate rate of 4.5% in 2033 and thereafter; 6.50% for Medicare reflecting Inflation Reduction Act (IRA) increasing to 13.0% in 2024-2025, decreasing to 12.0% in 2025-2026 and 4.35% from 2026-2027 through 2032-2033, increasing to 4.43% in 2033-2034, and 4.50% 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, 2022, through December 31, 2023. The claims experience was trended to the valuation date. Per capita costs for the fully-insured plans were based on calendar year 2024 premiums adjusted to the valuation date using the Medicare trend reflecting IRA assumption. Per capita costs were adjusted for expected age-related differences in morbidity, where applicable.
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, 2023, 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, 2020, through June 30, 2023. Other actuarial demographic 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 increased from 4.09% to 4.13%.
- Baseline per capita costs (PCCs) were updated to reflect 2023 claims and enrollment.
- Medical plan election percentages were updated based on the coverage elections of recent retirees.
- The mortality, retirement, termination, disability, and salary increase rates for the TRSL, LSERS, and LSPRS groups were updated. Additionally, all TRSL assumptions that were based on the Regular plan assumptions only have been updated to vary by sub-plan as applicable (Regular, Higher Ed, and Lunch).
- The healthcare cost trend was updated to more accurately reflect the current medical cost environment. The Medicare trend was further

adjusted to reflect the impact of certain provisions of the Inflation Reduction Act (IRA).

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

The following 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>
	3.13%	4.13%	5.13%
Proportionate Share of Total Collective OPEB Liability	<u>\$289,454,846</u>	<u>\$248,358,295</u>	<u>\$215,497,227</u>

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

The following 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	(5.50% decreasing to 3.5%)	(6.50% decreasing to 4.5%)	(7.50% decreasing to 5.5%)
Proportionate Share of Total Collective OPEB Liability	<u>\$214,853,204</u>	<u>\$248,358,295</u>	<u>\$290,827,765</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, 2024:

Accrued salaries and benefits	\$21,437,557
Travel and training	301,503
Operating services	4,563,292
Professional services	1,507,069
Supplies	808,535
Grants and public assistance	6,954,680
Other charges	1,039,630
Capital outlay	2,367,533
Accrued interest	11
	<hr/>
Total	<u><u>\$38,979,810</u></u>

11. UNEARNED REVENUES

The following is a summary of unearned revenues at June 30, 2024:

Prepaid tuition and fees	\$11,420,247
Prepaid rent	6,080
Grants and contracts	11,500,447
Other	109,499
	<hr/>
Total	<u><u>\$23,036,273</u></u>

12. COMPENSATED ABSENCES

At June 30, 2024, employees of the System have accumulated and vested annual, sick, and compensatory leave of \$11,223,304; \$12,342,380; and \$411,611, 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 18 months to 3 years. The leases have an interest rate of 0.29%. As of June 30, 2024, the aggregate value of the lease liability was \$93,401. The value of the right-to-use assets as of June 30, 2024 was \$579,289 and had accumulated amortization of \$479,744 (See Note 6: Capital Assets).

Equipment: The System entered into multiple lease agreements as a lessee to lease copier and computer equipment. The terms of the various lease agreements range from 4 to 6 years. The leases have an interest rate of 0.0% to 1.0%. As of June 30, 2024, the aggregate value of the lease liability was \$621,229. The value of the right-

to-use asset as of June 30, 2024, was \$881,279 and had accumulated amortization of \$183,722 (See Note 6: Capital Assets).

The future principal and interest payments as of June 30, 2024, were as follows:

	Principal	Interest	Total
2025	\$290,496	\$1,464	\$291,960
2026	197,530	955	198,485
2027	197,220	517	197,737
2028	29,384	110	29,494
Total	<u>\$714,630</u>	<u>\$3,046</u>	<u>\$717,676</u>

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 5 months to 7 years. The interest rates for these agreements range from 0.00% to 0.29%. As of June 30, 2024, the aggregate value of the subscription liability was

\$3,407,682. The value of the right-to-use subscription asset as of June 30, 2024 was \$8,032,549 and had accumulated amortization of \$4,101,934 (See Note 6: Capital Assets).

The future principal and interest payments as of June 30, 2024, were as follows:

	Principal	Interest	Total
2025	\$1,736,754	\$13,932	\$1,750,686
2026	636,681	8,555	645,236
2027	466,052	5,499	471,551
2028	281,969	2,378	284,347
2029	133,112		133,112
2030-2034	153,114		153,114
Total	<u>\$3,407,682</u>	<u>\$30,364</u>	<u>\$3,438,046</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, 2024:

	Balance June 30, 2023	Prior Period Adjustments	Restated Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Portion Due Within One Year
Bonds payable, net	\$404,889,104	\$2,602,914	\$407,492,018		(\$30,304,531)	\$377,187,487	\$27,625,000
Compensated absences payable (note 12)	23,398,986		23,398,986	\$7,315,363	(6,737,054)	23,977,295	1,824,235
Lease liability (note 13)	482,634		482,634	615,056	(383,060)	714,630	290,496
SBITA liability (note 13)	4,180,534		4,180,534	1,784,610	(2,557,462)	3,407,682	1,736,754
Notes payables - direct borrowings	1,582,500		1,582,500		(217,500)	1,365,000	225,000
Total long-term liabilities **	<u>\$434,533,758</u>	<u>\$2,602,914</u>	<u>\$437,136,672</u>	<u>\$9,715,029</u>	<u>(\$40,199,607)</u>	<u>\$406,652,094</u>	<u>\$31,701,485</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, 2024, follow:

Bonds Payable

As presented on the Statement of Net Position, at June 30, 2024, bonds payable total \$377,187,487, of which \$27,625,000 is current, and the remaining \$349,562,487 is noncurrent.

Detailed summaries, by issues, of all bonded debt outstanding at June 30, 2024, follow:

	Date of Issue	Original Issue	Outstanding June 30, 2023	Issued (Redeemed)	Outstanding June 30, 2024	Maturities	Interest Rates	Future Interest Payments June 30, 2024
BRCC Facilities Corporation:								
Series 2011 Revenue Refunding Bonds	Oct. 11, 2011	\$31,495,000	\$2,795,000	(\$2,795,000)			2.0% - 4.098%	
Series 2020 Taxable Revenue Refunding Bonds	Feb. 19, 2020	38,175,000	36,850,000	(670,000)	\$36,180,000	2025-2033	1.609% - 2.652%	\$4,135,210
Campus Facilities, Inc.:								
Series 2012 Revenue Refunding Bonds	Dec. 4, 2012	38,050,000	18,675,000	(3,420,000)	15,255,000	2025-2028	3.0% - 5.0%	1,312,200
South Louisiana Facilities Corporation:								
Series 2012 Revenue Refunding Bonds	Sept. 6, 2012	13,185,000	5,545,000	(1,040,000)	4,505,000	2025-2028	2.0%-4.0%	291,759
Delta Campus Facilities Corporation, Inc.:								
Series 2017 Revenue Refunding Bonds	Oct. 24, 2017	22,750,000	12,675,000	(2,300,000)	10,375,000	2025-2028	3.641% - 5.0%	1,329,000
LCTCS Facilities Corporation:								
Series 2017 Revenue Refunding Bonds	Oct. 24, 2017	88,590,000	69,655,000	(10,200,000)	59,455,000	2025-2029	5.00%	9,218,750
Series 2017 Revenue Bonds	Oct. 25, 2017	20,770,000	14,615,000	(2,265,000)	12,350,000	2025-2029	5.00%	1,838,500
Series 2018 Revenue Bonds	Dec. 19, 2018	66,830,000	66,830,000		66,830,000	2029-2040	5.00%	28,326,500
Series 2019 Revenue Bonds	Dec. 18, 2019	16,630,000	12,035,000	(2,000,000)	10,035,000	2025-2029	5.00%	1,439,000
Series 2021 Taxable Revenue Refunding Bonds	Sept. 1, 2021	150,770,000	148,990,000	(1,785,000)	147,205,000	2025-2040	0.426%-2.745%	41,960,241
Total		<u>\$487,245,000</u>	<u>388,665,000</u>	<u>(26,475,000)</u>	<u>362,190,000</u>			<u>\$89,851,160</u>
Net original premiums (discounts)			43,500,018	(2,005,741)	41,494,277			
Net accumulated amortization of premiums/discounts			*	(24,673,000)	(1,823,790)	(26,496,790)		
Bonds payable, net			<u>\$407,492,018</u>	<u>(\$30,304,531)</u>	<u>\$377,187,487</u>			

*Restated

The annual requirements to amortize all bonds outstanding at June 30, 2024, are as follows:

	Principal	Interest	Total
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	31,575,000	7,990,426	39,565,426
2030-2034	97,460,000	25,350,519	122,810,519
2035-2039	94,740,000	11,560,124	106,300,124
2040-2044	20,675,000	636,644	21,311,644
Total	<u>\$362,190,000</u>	<u>\$89,851,160</u>	<u>\$452,041,160</u>

Outstanding principal of \$362,190,000 plus net unamortized premium/discount of \$14,997,487 totals \$377,187,487.

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, 2024, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	267,500	18,113	285,613
2030	135,000	6,075	141,075
Total	<u>\$1,365,000</u>	<u>\$203,646</u>	<u>\$1,568,646</u>

Accrued Compensated Absences Payable

Accrued compensated absences payable at June 30, 2024, for \$23,977,295 is detailed in note 12.

15. RESTRICTED NET POSITION

The System has the following restricted net position at June 30, 2024:

Nonexpendable:	
Endowments	\$13,960,684
Phoebe Jackson Endowment	<u>290,736</u>
Total nonexpendable	<u>\$14,251,420</u>
Expendable:	
Academic Excellence Fee	\$39,985,510
Bossier Parish Community College Building and Technology Improvements	78,460
Building Use Fee	15,968,039
Capital Improvement for Lamar Salter, Natchitoches, Avoyelles and Sabine Valley Campuses	25,436
Corrections Initiative Funds	4,437,532
Endowment Earnings	4,224,893
Facilities Corporations net position	55,285,517
FY24 Supplemental Appropriation for Operations	1,000,000
Governor's Emergency Education Relief Fund	1,559,537
Grants and Contracts	31,722,804
Higher Education Initiatives Fund	3,607,640
Maintenance Reserve	557,590
Northshore Livingston Branch and YouthBuild Facility	194,030
Operational Fee	1,904,456
Orleans Parish Excellence	364,516
Other Restricted Funds	1,201,785
Preventative Maintenance	24,604
Settlement Carryover Fund	1,300,055
Skills USA (FY2023 Supplemental)	65,106
Skills USA (FY2024 Supplemental)	62,500
Student Activity Fee	1,838,115
Student Government Association Fees	5,141,283
Student Life Fee	3,310,924
Student Technology Fee	8,714,387
Upgrades at the Schriever and Houma Dickson Road Campuses	1,542,362
Vehicle Registration Fee	<u>10,706,631</u>
Total expendable	<u>\$194,823,712</u>

Of the total net position reported in the Statement of Net Position for the year ended June 30, 2024, \$88,914,290 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, 2023

\$129,948,286

Error corrections:

Statement of Net Position Account Name	Statement of Revenue, Expenses, and Changes in Net Position Account Name	Description	Amount
Current assets - cash and cash equivalents; net position - restricted for expendable, unrestricted	Operating revenues - federal grants and contracts; student tuition and fees	Error corrections	\$130,039
Noncurrent assets - restricted - cash and cash equivalents; net position - restricted for expendable	Net position restatement - error correction	Correcting beginning cash balance	(237,877)
Noncurrent assets - capital assets; net position - net investment in capital assets, restricted for expendable	Operating expenses - depreciation; academic support	Correction to accumulated amortization of Banner Software and other error corrections	(288,587)
Noncurrent assets - capital assets; net position - net investment in capital assets	Income before other revenues and additions - capital gifts and grants; net position restatement - error correction	Insurance proceeds claimed and used by the State of Louisiana to reconstruct SOWELA Technical Community College's Arts and Humanities building impaired by Hurricane Laura were not recorded in FY 2023.	14,306,167
Noncurrent liabilities - bonds payable, net; net position - net investment in capital assets	Nonoperating expenses - interest expense; net position restatement - error correction	Premiums for Series 2018 bonds were being amortized over a shorter period than the life of the bonds.	(2,602,914)
Current assets - due from federal government; net position - restricted for expendable, unrestricted	Operating revenues - federal grants and contracts	Error corrections	(258,093)
Current assets - receivables; net position - restricted for expendable, unrestricted	Operating revenues - student tuition and fees; state and local grants and contracts and operating expenses - instruction; scholarships and fellowships	Error corrections	254,863
Current liabilities - accounts payable and accrued liabilities; net position - restricted for expendable, unrestricted	Operating expenses - instruction	Error corrections	(4,422)
Current liabilities - due to federal government; net position - restricted for expendable, unrestricted	Operating revenues - federal grants and contracts and nonoperating revenues - COVID-19 federal funding	Error corrections	(132,268)
Current liabilities - other liabilities; net position - restricted for expendable, unrestricted	Operating expenses - student services; other operating expenses	Error corrections	18,366
Net position at June 30, 2023, as restated			<u>\$141,133,560</u>

The restatements increased the System's beginning net position by \$11,185,274. The restatements were due to corrections of errors. Had the error corrections affecting fiscal year 2023 been included in the June 30, 2023, Statement of Revenues, Expenses, and Changes in Net Position, the previously reported change in net position of \$93,113,441 would have been \$96,466,272.

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. At June 30, 2024, the System is not involved in any lawsuits that are not 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, 2024, the foundations hold in custody \$10,486,987 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, 2024, net appreciation of \$3,998,255 is available to be spent, of which \$3,872,820 is restricted to specific purposes (net appreciation increased \$898,815 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.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, 2024

	BRCC Facilities Corporation	Campus Facilities Inc.*	Delta Campus Facilities Corporation*	LCTCS Facilities Corporation*	South Louisiana Facilities Corporation
Assets:					
Capital Assets	\$40,844,903	\$31,608,618	\$20,941,376	\$365,704,793	\$8,093,906
Other Assets	3,894,730	2,037,281	3,176,812	57,027,077	2,645,913
Total Assets	<u>44,739,633</u>	<u>33,645,899</u>	<u>24,118,188</u>	<u>422,731,870</u>	<u>10,739,819</u>
Liabilities:					
Due to LCTCS Colleges/LCTCS	114,573				221,866
Current Liabilities	3,627,740	3,639,054	2,544,688	21,813,984	1,105,230
Long-Term Liabilities	32,620,000	12,784,821	9,210,065	291,490,086	3,457,515
Total Liabilities	<u>36,362,313</u>	<u>16,423,875</u>	<u>11,754,753</u>	<u>313,304,070</u>	<u>4,784,611</u>
Net Position:					
Net Investment in Capital Assets	4,997,169	15,233,797	9,490,901	64,970,437	3,367,966
Restricted Net Position - Expendable	3,380,151	1,988,227	2,872,534	44,457,363	2,587,242
Total Net Position	<u>\$8,377,320</u>	<u>\$17,222,024</u>	<u>\$12,363,435</u>	<u>\$109,427,800</u>	<u>\$5,955,208</u>

Facilities Corporations
Condensed Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2024

Depreciation Expense	\$2,327,275	\$1,495,874	\$1,064,843	\$12,229,704	\$414,438
Net Operating Loss	<u>(2,327,275)</u>	<u>(1,495,874)</u>	<u>(1,064,843)</u>	<u>(12,229,704)</u>	<u>(414,438)</u>
Nonoperating Revenues (Expenses):					
Investment Income	175,085	90,889	124,841	2,696,651	121,072
Interest Expense	(874,244)	(437,888)	(251,120)	(8,215,088)	(135,951)
Other (net)	(291,669)	(492,672)	(142,031)	(2,300,670)	(29,208)
Capital Appropriations	5,135,858	4,462,325	3,142,500	30,712,047	1,357,933
Capital Grants and Gifts	NONE	NONE	NONE	2,687,114	NONE
Changes in Net Position	<u>1,817,755</u>	<u>2,126,780</u>	<u>1,809,347</u>	<u>13,350,350</u>	<u>899,408</u>
Net Position, Beginning of the Year [^]	6,559,565	15,095,244	10,554,088	96,077,450	5,055,800
Net Position, End of the Year	<u>\$8,377,320</u>	<u>\$17,222,024</u>	<u>\$12,363,435</u>	<u>\$109,427,800</u>	<u>\$5,955,208</u>

Facilities Corporations
Condensed Statement of Cash Flows
For the Year Ended June 30, 2024

Net cash flows provided (used) by:					
Noncapital Financing	(\$171,122)	(\$476,530)	(\$81,472)	(\$1,110,976)	NONE
Capital and Related Financing	748,701	286,329	234,603	(15,313,708)	\$145,678
Investing Activities	175,085	90,889	(225,159)	23,933,556	121,072
Net Increase (Decrease) in Cash	<u>752,664</u>	<u>(99,312)</u>	<u>(72,028)</u>	<u>7,508,872</u>	<u>266,750</u>
Cash, Beginning of the Year [^]	2,791,246	2,136,593	2,732,216	43,181,772	2,355,722
Cash, End of the Year	<u>\$3,543,910</u>	<u>\$2,037,281</u>	<u>\$2,660,188</u>	<u>\$50,690,644</u>	<u>\$2,622,472</u>

*For the year ended December 31, 2023

[^]LCTCS Facilities Corporation, restated

22. RELATED-PARTY TRANSACTIONS

During 2023, 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; Florida Parishes Campus of Northshore Technical

Community College in Greensburg; and Westside Campus of River Parishes Community College in Plaquemine. 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.

All of Act 391 projects are completed. 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 (completed); Smiley Heights Technology Center of Baton Rouge Community College in Baton Rouge (completed); Science, Technology, Engineering, and Math (STEM) Building of Bossier Parish Community College in Bossier City (completed); Workforce Industrial Training Campus of Central Louisiana Technical Community College in Alexandria (completed); Training Center for Transportation, Maritime, Engineering of Delgado Community College in New Orleans (completed); Advanced Manufacturing Center of Excellence of Delgado Community College in New Orleans (completed); Technology and Career Program Training Center of Louisiana Delta Community College in Winnsboro (completed); Welding, Vehicle Operation, and Industrial Training Center of Louisiana Delta Community College in Jonesboro (completed); Training Center for Industrial Technologies of Northshore Technical Community College in Lacombe (completed); Workforce Development Center of Northwest Louisiana Technical Community College in Minden (completed); Center for Advanced Technology of River Parishes Community College in Gonzales (completed); New PTech Building of River Parishes Community College in Reserve (completed); Center for Advancement of Technical Education Building of River Parishes Community College in Reserve (completed); Marine Operations and Industrial Safety Training Center of South Louisiana Community College in Morgan City (completed); Allied Health and Science Training Program Building of South Louisiana Community College in Lafayette (completed); and One Stop Shop for Student Programs and Services of SOWELA Technical Community College in Lake Charles (completed). 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 in Series 2021 Taxable Revenue Refunding Bonds, to advance refund \$128,330,000 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 (completed); Bossier City Campus of Bossier Parish Community College in Bossier City (completed); Advanced Workforce Training Campus of Louisiana Delta Community College in Tallulah (completed); Advanced Technology Center of Louisiana Delta Community College in Monroe

(completed); and the Workforce Training Center of Northshore Technical Community College in Walker (completed).

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 (completed); Delgado Culinary Institute and Workforce Building of Delgado Community College in New Orleans (ongoing project); Delgado Advanced Technology Building and Campus Expansion of Delgado Community College in New Orleans (completed); Louisiana Delta Community College Nursing, Welding, Workforce Training Campus of Louisiana Delta Community College in Ruston (completed); and SOWELA Technical Community College Hospitality & Tourism of SOWELA Technical Community College in Lake Charles (completed).

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 (ongoing project); Workforce/Nursing Building of the Schriever Campus of L.E. Fletcher Technical Community College in Schriever (ongoing project); and College Student Testing and Career Counseling Center of Chalmette Campus of Elaine P. Nunez Community College in Chalmette (ongoing project).

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 or results of operations.

The LCTCS Facilities Corporation has active construction projects at various campuses as of December 31, 2023. 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		
Delgado Community College - Delgado City Park - Advanced Workforce/Culinary	\$203,955	\$309,420
Elaine P. Nunez Community College - Student Center	6,762,813	2,983,596
SOWELA Technical Community College Hospitality and Tourism	9,633,937	84,908
L.E. Fletcher Technical Community College	6,706,849	2,711,605
Program Administration	203,813	78,390
	<u>\$23,511,367</u>	<u>\$6,167,919</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	\$1,986,744
Campus Facilities, Inc.	0.60%	280,000	1,943,717
Delta Campus Facilities Corporation	0.60%	225,000	2,585,510
LCTCS Facilities Corporation	0.60%	2,149,491	14,214,369
South Louisiana Facilities Corporation	1.50%	141,414	2,520,943
Total		\$3,545,905	\$23,251,283

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, 2024.

27. INSURANCE RECOVERIES

The total amount of insurance recoveries received during fiscal year 2024 included \$347,502 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, 2024.

28. IN-KIND DONATIONS OF CLINICAL SPACE

During the fiscal year, Colleges received in-kind donations of clinical space from various healthcare facilities to support the clinical requirements of their healthcare training programs. These donations allow students to complete their mandatory clinical rotations and practical training in real-world healthcare settings.

The System recognizes the significant value and importance of these in-kind contributions to their educational programs. However, due to the unique nature of the donated clinical spaces, their specialized use, and the varying durations and schedules of student rotations, the System has determined that it is impracticable to reliably measure the fair value of these donations.

The donated clinical spaces are integral to the healthcare programs, including but not limited to nursing, radiologic technology, respiratory therapy, and emergency medical responder.

While the System acknowledges the substantial benefit derived from these donations which significantly enhance the quality and effectiveness of our healthcare education programs, the fair value amount of the donated clinical space is considered immeasurable and is therefore not recognized as revenue or expense in the financial statements.

29. SUBSEQUENT EVENTS

On September 11, 2024, Hurricane Francine made landfall near Morgan City, Louisiana impacting two colleges of the Louisiana Community and Technical College System: Fletcher Technical Community College and South Louisiana Community College. The damage is considered minor.

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, 2024**

**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%
2024	0.85764%	\$57,406,110	\$19,355,649	297%	68.4%

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%
2024	3.04775%	\$275,498,011	\$143,106,312	193%	74.3%

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

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%
2024	\$7,750,905	\$7,750,905		\$18,958,393	40.9%
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%
2024	\$42,572,177	\$42,572,177		\$152,156,590	28.0%

*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.

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.
- 2018-2021 (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 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 increments. Therefore, the discount rate was reduced from 7.75% to 7.70% for the June 30, 2017 valuation and to 7.65% for 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.
- 2024 (7) Inflation rate, mortality, termination, retirement, disability, and salary increase assumptions were updated with the June 30, 2023 valuation to reflect the results of the most recent experience study observed for the period July 1, 2017 - June 30, 2022.

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, 2024

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%
2024	3.4744%	\$248,358,295	\$141,692,441	175%

*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

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, 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.
- (4) the withdrawal assumption for LASERS Wildlife participants and the mortality rate assumptions for LASERS public safety participants were updated consistent with the June 30, 2022, LASERS pension valuation.

The July 1, 2023 valuation reflects the following changes of assumptions and other inputs

- (1) increased the discount rate from 4.09% to 4.13%.
- (2) the baseline per capita costs were updated to reflect 2023 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.
- (4) updated mortality, retirement, termination, disability, and salary assumptions consistent with the TRSL, LSERS, and LSPRS plan based on recent experience studies reflected in the June 30, 2023 pension valuation. All TRSL assumptions that were based on the Regular plan assumptions only have been updated to vary by sub-plan as applicable (Regular, Higher Ed, and Lunch).
- (5) the healthcare cost trend was updated to more accurately reflect the current medical cost environment. The Medicare trend was further adjusted to reflect the impact of certain provisions of the Inflation Reduction Act (IRA).

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, 2024. 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, 2024

Schedule 5 presents a combining Schedule of Net Position, by College, for the year ended June 30, 2024.

Combining Schedule of Revenues, Expenses, and Changes in Net Position, by College, For the Year Ended June 30, 2024

Schedule 6 presents a combining Schedule of Revenues, Expenses, and Changes in Net Position, by College, for the year ended June 30, 2024.

Combining Schedule of Cash Flows, by College, For the Year Ended June 30, 2024

Schedule 7 presents a combining Schedule of Cash Flows, by College, for the year ended June 30, 2024.

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

Schedule 8 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 9 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 10 presents a combining Schedule of Cash Flows, by College, for the year ended June 30, 2023.

**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, 2024**

	<u>Amount</u>
Bourque, Ellis	\$250
Bradford, Tari	400
Butler-Blucher, Cynthia	600
Hardy, Timothy	50
Hollins, Joseph	600
Jackson, Alterman	1,150
Johnson, Patrick	500
Lee, Jennifer	700
McConduit, Erika	350
Mount, Willie	1,650
Murphy, Michael	750
Payne, David	600
Price, Paul	100
Salathe, Stanton	200
Smith, Stephen	800
Toups, Stephen	100
Wood, Matthew	650
Zeringue, Jamie	600
Total	<u>\$10,050</u>

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

**Combining Schedule of Net Position, by College
June 30, 2024**

	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	\$25,875,188	\$51,012,010	\$22,521,261	\$11,810,495	\$24,047,202
Receivables, net	2,560,095	4,045,786	6,334,897	1,025,696	9,815,872
Leases receivable		77,700			44,864
Due from State Treasury	16,940,771				
Due from federal government	9,198,543	322,875	362,512	103,469	1,500,765
Due from LCTCS colleges/LCTCS	2,200,642	1,082,951	1,142,692	540,800	2,474,573
Inventories					
Prepaid expenses and advances	32,000	1,810,448		40,609	27,233
Other current assets			13,806		
Total current assets	<u>56,807,239</u>	<u>58,351,770</u>	<u>30,375,168</u>	<u>13,521,069</u>	<u>37,910,509</u>
Noncurrent Assets					
Restricted assets:					
Cash and cash equivalents				16,549	1,193,304
Investments		809,099	1,820,000	580,736	5,127,339
Receivables, net					
Other					
Leases receivable		77,700			22,481
Capital assets, net	3,387,523	58,561,602	21,569,539	5,872,592	70,702,443
Other noncurrent assets					17
Total noncurrent assets	<u>3,387,523</u>	<u>59,448,401</u>	<u>23,389,539</u>	<u>6,469,877</u>	<u>77,045,584</u>
Total Assets	<u>60,194,762</u>	<u>117,800,171</u>	<u>53,764,707</u>	<u>19,990,946</u>	<u>114,956,093</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	8,089,261	11,722,058	11,436,594	3,567,673	24,976,403
Deferred outflows related to OPEB	2,773,433	3,066,427	6,834,624	2,007,753	8,151,726
Total deferred outflows of resources	<u>10,862,694</u>	<u>14,788,485</u>	<u>18,271,218</u>	<u>5,575,426</u>	<u>33,128,129</u>
LIABILITIES					
Current Liabilities					
Accounts payable and accruals	15,969,092	2,642,899	1,425,135	564,885	4,373,677
Due to federal government		750		18,539	
Due to LCTCS colleges/LCTCS	13,225,104	405,120	254,084	148,143	481,705
Unearned revenues	9,198,367	1,926,851	1,259,908	344,379	4,160,743
Amounts held in custody for others		82,775			
Compensated absences payable	149,128	253,691	195,775	60,858	369,241
Lease liability		153,764	43,331		
SBITA liability	1,178,667	113,112	97,970		187,187
Notes payable					225,000
OPEB liability	278,595	908,081	974,533	539,257	2,545,857
Bonds payable, net					
Other current liabilities	7,434		503,062	48,698	238,445
Total current liabilities	<u>40,006,387</u>	<u>6,487,043</u>	<u>4,753,798</u>	<u>1,724,759</u>	<u>12,581,855</u>
Noncurrent Liabilities					
Compensated absences payable	2,702,922	2,856,075	2,197,745	557,262	5,202,589
Lease liability		307,528	116,606		
SBITA liability	437,323	685,562	97,970		374,374
Notes payable					1,140,000
Net pension liability	26,039,566	37,533,312	30,904,327	11,039,660	77,662,911
OPEB liability	12,915,354	25,026,339	23,671,792	10,545,893	61,465,445
Bonds payable, net					
Total noncurrent liabilities	<u>42,095,165</u>	<u>66,408,816</u>	<u>56,988,440</u>	<u>22,142,815</u>	<u>145,845,319</u>
Total Liabilities	<u>82,101,552</u>	<u>72,895,859</u>	<u>61,742,238</u>	<u>23,867,574</u>	<u>158,427,174</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	1,037,686	5,714,713	2,968,880	2,938,382	5,930,080
Deferred inflows related to OPEB	3,253,232	7,615,476	6,054,162	5,790,948	13,981,564
Deferred inflows related to leases		155,400			67,070
Total deferred inflows of resources	<u>4,290,918</u>	<u>13,485,589</u>	<u>9,023,042</u>	<u>8,729,330</u>	<u>19,978,714</u>
NET POSITION					
Net investment in capital assets	1,771,533	57,301,636	21,203,418	5,872,592	68,775,882
Restricted:					
Nonexpendable		470,000	1,820,000	580,736	3,032,375
Expendable	5,097,041	25,453,138	17,239,513	5,829,020	28,548,652
Unrestricted	(22,203,588)	(37,017,566)	(38,992,286)	(19,312,880)	(130,678,575)
Total Net Position	<u>(\$15,335,014)</u>	<u>\$46,207,208</u>	<u>\$1,270,645</u>	<u>(\$7,030,532)</u>	<u>(\$30,321,666)</u>

(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
\$8,742,984 1,494,786	\$11,639,100 2,013,479	\$28,305,050 1,950,473	\$13,714,771 896,127	\$7,366,710 213,334	\$13,337,361 2,384,489 7,560	\$37,855,772 1,423,848	\$17,994,650 4,569,672
460,401 1,715,735	130,408 1,062,211	196,971 1,263,453 15,088	321,506 450,908	295 731,508	608,340 1,224,670	1,773,909 1,191,834	102,533 830,561
33,027 3,060	229,011 3,060		31,957	5,527	17,518	18,906	48,034
<u>12,446,933</u>	<u>15,077,269</u>	<u>31,731,035</u>	<u>15,415,269</u>	<u>8,317,374</u>	<u>17,579,938</u>	<u>42,264,269</u>	<u>23,545,450</u>
156,081 641,021	749,345	796,273	764,391 1,203,950		62,947 377,791	160,000 2,654,667	206,717 1,941,114
38,335,060	18,852,606	9,791,165	11,069,601	3,944,704	81,365 14,148,308	13,101,735	112,494,870
<u>39,132,162</u>	<u>19,601,951</u>	<u>10,587,438</u>	<u>13,037,942</u>	<u>3,944,704</u>	<u>14,670,411</u>	<u>15,916,402</u>	<u>114,642,701</u>
<u>51,579,095</u>	<u>34,679,220</u>	<u>42,318,473</u>	<u>28,453,211</u>	<u>12,262,078</u>	<u>32,250,349</u>	<u>58,180,671</u>	<u>138,188,151</u>
3,863,306 1,235,162 5,098,468	5,137,101 1,656,365 6,793,466	8,301,736 2,703,711 11,005,447	8,912,312 1,539,860 10,452,172	3,117,034 2,257,921 5,374,955	5,297,795 1,005,886 6,303,681	12,115,284 4,777,172 16,892,456	7,657,813 3,019,677 10,677,490
914,300	2,597,526	1,311,126	1,076,779	276,650	1,513,881	3,592,511	1,309,976
102,595 413,206	102,260 542,420	168,532 796,075	134,650 527,652	43,330 166,830	126,382 265,558	245,594 2,887,428 60,988	138,600 546,856
55,941	79,620 49,638	78,004	72,449	67,380	118,957	203,512 43,763	119,679
399,131	398,927	785,596	297,063	557,943	263,998	1,575,047	580,573
16,924 1,902,097	2,717 3,773,108	86,195 3,309,646	1,841 2,186,134	1,035 1,113,168	45,574 2,334,350		17,687 2,713,371
752,781	807,808	1,134,985	1,236,605 75,699	465,574	930,936	2,048,834	1,258,944
11,566,204 9,104,468	13,865,547 8,971,355	21,666,700 16,034,827	23,534,104 10,068,232	8,203,993 7,779,796	14,086,791 7,236,127	35,440,492 30,733,122	21,360,514 14,700,944
<u>21,423,453</u>	<u>23,644,710</u>	<u>38,836,512</u>	<u>34,914,640</u>	<u>16,449,363</u>	<u>22,253,854</u>	<u>68,222,448</u>	<u>37,320,402</u>
<u>23,325,550</u>	<u>27,417,818</u>	<u>42,146,158</u>	<u>37,100,774</u>	<u>17,562,531</u>	<u>24,588,204</u>	<u>76,831,291</u>	<u>40,033,773</u>
640,702 2,753,565	615,598 2,054,523	1,843,762 4,157,980	1,752,920 2,440,200	632,823 2,312,845	1,053,416 2,117,502 88,646	5,134,183 7,407,851	1,447,473 3,405,414
<u>3,394,267</u>	<u>2,670,121</u>	<u>6,001,742</u>	<u>4,193,120</u>	<u>2,945,668</u>	<u>3,259,564</u>	<u>12,542,034</u>	<u>4,852,887</u>
38,335,060	18,802,968	9,697,052	10,918,202	3,944,704	14,148,308	12,178,262	112,397,097
670,000 5,556,844 (14,604,158)	590,000 5,672,102 (13,680,323)	595,728 9,442,721 (14,559,481)	1,873,303 6,324,533 (21,504,549)	3,880,660 (10,696,530)	350,000 7,601,020 (11,393,066)	2,520,000 13,039,984 (42,038,444)	1,749,278 5,852,967 (16,020,361)
<u>\$29,957,746</u>	<u>\$11,384,747</u>	<u>\$5,176,020</u>	<u>(\$2,388,511)</u>	<u>(\$2,871,166)</u>	<u>\$10,706,262</u>	<u>(\$14,300,198)</u>	<u>\$103,978,981</u>

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

**Combining Schedule of Net Position, by College
June 30, 2024**

	Facilities Corporations	System Eliminating Entries	Total Per System
ASSETS			
Current Assets			
Cash and cash equivalents			\$274,222,554
Receivables, net			38,728,554
Leases receivable			130,124
Due from State Treasury			16,940,771
Due from federal government			15,082,527
Due from LCTCS colleges/LCTCS		(\$15,912,538)	0
Inventories			15,088
Prepaid expenses and advances			2,294,270
Other current assets			16,866
Total current assets		(15,912,538)	347,430,754
Noncurrent Assets			
Restricted assets:			
Cash and cash equivalents	\$61,554,495		64,114,484
Investments	2,263,564		18,964,899
Receivables, net	1,028,524		1,028,524
Other	18,554		18,554
Leases receivable			181,546
Capital assets, net	467,193,596		849,025,344
Other noncurrent assets	3,916,676		3,916,693
Total noncurrent assets	535,975,409	0	937,250,044
Total Assets	535,975,409	(15,912,538)	1,284,680,798
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions			114,194,370
Deferred outflows related to OPEB			41,029,717
Total deferred outflows of resources	0	0	155,224,087
LIABILITIES			
Current Liabilities			
Accounts payable and accruals	1,411,373		38,979,810
Due to federal government			19,289
Due to LCTCS colleges/LCTCS	336,439	(15,912,538)	0
Unearned revenues			23,036,273
Amounts held in custody for others			143,763
Compensated absences payable			1,824,235
Lease liability			290,496
SBITA liability			1,736,754
Notes payable			225,000
OPEB liability			10,104,601
Bonds payable, net	27,625,000		27,625,000
Other current liabilities	3,694,323		4,663,935
Total current liabilities	33,067,135	(15,912,538)	108,649,156
Noncurrent Liabilities			
Compensated absences payable			22,153,060
Lease liability			424,134
SBITA liability			1,670,928
Notes payable			1,140,000
Net pension liability			332,904,121
OPEB liability			238,253,694
Bonds payable, net	349,562,487		349,562,487
Total noncurrent liabilities	349,562,487	0	946,108,424
Total Liabilities	382,629,622	(15,912,538)	1,054,757,580
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions			31,710,618
Deferred inflows related to OPEB			63,345,262
Deferred inflows related to leases			311,116
Total deferred inflows of resources	0	0	95,366,996
NET POSITION			
Net investment in capital assets	98,060,270		473,406,984
Restricted:			
Nonexpendable			14,251,420
Expendable	55,285,517		194,823,712
Unrestricted			(392,701,807)
Total Net Position	\$153,345,787	\$0	\$289,780,309

(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, 2024**

	Board Office	Baton Rouge Community College	Bossier Parish Community College	Central Louisiana Technical Community College	Delgado Community College
OPERATING REVENUES					
Student tuition and fees		\$35,303,753	\$22,852,711	\$6,364,079	\$53,488,249
Less scholarship allowances		(15,972,767)	(6,840,040)	(2,978,714)	(21,825,688)
Net student tuition and fees		19,330,986	16,012,671	3,385,365	31,662,561
Federal grants and contracts	\$41,093,724	3,324,457	1,936,492	1,917,026	5,096,240
State and local grants and contracts	12,631,795	696,648	2,778,522	1,758,685	4,292,746
Nongovernmental grants and contracts		39,273	254,146	335,204	2,050,632
Sales and services of educational departments			15,855	700	20,103
Interagency revenue	9,526,991	767,558	835,940	397,436	676,013
Auxiliary enterprise revenues		129,687			645,532
Other operating revenues	107,192	52,756	438,735	17,524	116,761
Total operating revenues	63,359,702	24,341,365	22,272,361	7,811,940	44,560,588
OPERATING EXPENSES					
Educational and general:					
Instruction		16,811,056	20,020,272	5,968,990	46,362,339
Public service			325,213		
Academic support	72,094,181	4,434,709	2,067,246	1,197,812	13,159,546
Student services	468,617	7,653,391	5,259,221	953,874	5,592,023
Institutional support	26,909,273	9,953,247	7,826,244	2,601,533	16,920,910
Operations and maintenance of plant	64,209	6,956,111	5,038,948	1,586,575	14,612,707
Depreciation and amortization	1,846,979	2,098,692	1,630,317	566,252	4,714,516
Scholarships and fellowships		11,459,791	13,554,564	2,798,007	28,296,098
Auxiliary enterprises					793,216
Interagency expense	5,170,404	1,475,320	991,552	411,703	2,109,391
Total operating expenses	106,553,663	60,842,317	56,713,577	16,084,746	132,560,746
OPERATING INCOME (LOSS)	(43,193,961)	(36,500,952)	(34,441,216)	(8,272,806)	(88,000,158)
NONOPERATING REVENUES (Expenses)					
State appropriations	24,732,027	19,603,870	17,183,918	6,325,039	37,146,777
Gifts			5,000	7,569	448,695
Federal nonoperating revenues (expenses)		24,632,575	17,304,190	4,436,631	39,962,466
COVID-19 federal funding	14,065,378	901,250	1,903,047	1,060,892	5,536,158
Net investment income (loss)	2,072,984	2,606,276	811,124	202,112	1,122,039
Interest expense	(9,103)		(1,832)		(65,976)
Other nonoperating revenues (expenses)	356,413	4,250,268	2,500,435	1,331,755	6,664,808
Net nonoperating revenues (expenses)	41,217,699	51,994,239	39,705,882	13,363,998	90,814,967
Income (loss) before other revenues and additions	(1,976,262)	15,493,287	5,264,666	5,091,192	2,814,809
Capital appropriations		14,022,592			1,307,143
Capital grants and gifts					
Additions to permanent endowments		120,000	180,000		330,000
Increase (decrease) in net position	(1,976,262)	29,635,879	5,444,666	5,091,192	4,451,952
NET POSITION - BEGINNING OF YEAR	(12,947,620)	16,571,329	(4,174,021)	(12,671,179)	(34,773,618)
Net position restatement - error correction	(411,132)			549,455	
NET POSITION - END OF YEAR	(\$15,335,014)	\$46,207,208	\$1,270,645	(\$7,030,532)	(\$30,321,666)

(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
\$9,049,037	\$9,538,984	\$14,814,265	\$14,897,194	\$4,491,450	\$10,016,439	\$29,674,885	\$14,176,107
(5,437,969)	(5,195,995)	(10,051,978)	(9,495,999)	(2,560,391)	(728,845)	(16,336,658)	(7,252,676)
3,611,068	4,342,989	4,762,287	5,401,195	1,931,059	9,287,594	13,338,227	6,923,431
1,165,399	1,483,205	4,276,750	2,259,449	556,489	2,139,319	5,243,078	1,262,766
1,338,992	1,318,124	3,506,105	1,181,719	864,568	987,596	3,093,779	1,028,207
376,913	126,753	7,000	10,900	80,000	328,000		189,689
						6,504	32,635
222,547	251,031	522,408	491,974	197,494	226,126	516,816	398,736
	1,379	56,361	2,988				
272,733	112,454	83,909	16,891	2,390	11,363	68,108	337,654
6,987,652	7,635,935	13,214,820	9,365,116	3,632,000	12,979,998	22,266,512	10,173,118
6,764,016	9,108,788	12,693,721	14,036,208	4,652,580	8,749,722	21,889,735	13,440,629
						563,058	
1,637,789	2,418,449	3,885,079	2,003,792	807,926	2,265,180	5,573,233	2,745,450
1,204,614	1,625,970	2,277,353	2,754,331	1,024,303	2,784,028	5,437,322	2,544,273
3,532,917	4,907,802	6,586,031	4,124,297	2,384,294	3,898,395	6,962,401	5,847,233
2,180,430	1,812,961	3,199,457	2,349,069	1,765,655	2,702,045	8,229,309	4,897,471
1,856,287	1,114,610	1,236,557	1,646,346	316,770	612,585	1,389,557	15,137,772
2,759,364	3,217,455	3,266,215	2,723,965	1,598,568	5,390,041	7,165,602	3,617,262
139,675	16,500	100,150	713				
402,626	438,780	937,577	601,457	325,292	533,987	1,012,854	620,127
20,477,718	24,661,315	34,182,140	30,240,178	12,875,388	26,935,983	58,223,071	48,850,217
(13,490,066)	(17,025,380)	(20,967,320)	(20,875,062)	(9,243,388)	(13,955,985)	(35,956,559)	(38,677,099)
5,743,993	5,926,157	11,307,128	10,116,250	5,702,329	6,991,437	18,115,049	12,901,603
80,250	375,847	16,396	42,550	9,271	111,133		1,888,379
6,242,809	7,586,894	11,285,143	8,698,506	3,529,045	5,226,469	18,893,330	8,181,753
1,719,218	1,243,035	494,875	316,131	255,076	1,277,494	1,990,982	2,001,237
524,787	599,281	611,798	753,024		663,483	960,365	848,414
	(289)	(2,041)				(429)	
1,687,363	1,900,987	2,764,981	933,098	1,881,574	653,528	3,320,271	2,940,950
15,998,420	17,631,912	26,478,280	20,859,559	11,377,295	14,923,544	43,279,568	28,762,336
2,508,354	606,532	5,510,960	(15,503)	2,133,907	967,559	7,323,009	(9,914,763)
56					1,098,774		22,337
50,000	24,000		676,000			126,966	73,540,974
40,000		19,217	953,303			160,000	164,000
2,598,410	630,532	5,530,177	1,613,800	2,133,907	2,066,333	7,609,975	63,812,548
27,359,336	10,754,215	(354,157)	(4,002,311)	(5,005,073)	9,058,354 (418,425)	(21,910,173)	40,166,433
\$29,957,746	\$11,384,747	\$5,176,020	(\$2,388,511)	(\$2,871,166)	\$10,706,262	(\$14,300,198)	\$103,978,981

**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, 2024**

	Facilities Corporations	System Eliminating Entries	Total Per System
OPERATING REVENUES			
Student tuition and fees			\$224,667,153
Less scholarship allowances			(104,677,720)
Net student tuition and fees			119,989,433
Federal grants and contracts		(\$21,444,351)	50,310,043
State and local grants and contracts		(7,908,155)	27,569,331
Nongovernmental grants and contracts			3,798,510
Sales and services of educational departments			75,797
Interagency revenue		(15,031,070)	-
Auxiliary enterprise revenues			835,947
Other operating revenues			1,638,470
Total operating revenues		(44,383,576)	204,217,531
OPERATING EXPENSES			
Educational and general:			
Instruction			180,498,056
Public service			888,271
Academic support		(54,419,032)	59,871,360
Student services			39,579,320
Institutional support		(76,936)	102,377,641
Operations and maintenance of plant			55,394,947
Depreciation and amortization	\$17,532,134		51,699,374
Scholarships and fellowships			85,846,932
Auxiliary enterprises			1,050,254
Interagency expense		(15,031,070)	-
Total operating expenses	17,532,134	(69,527,038)	577,206,155
OPERATING INCOME (LOSS)	(17,532,134)	25,143,462	(372,988,624)
NONOPERATING REVENUES (Expenses)			
State appropriations			181,795,577
Gifts			2,985,090
Federal nonoperating revenues (expenses)			155,979,811
COVID-19 federal funding		(13,697,878)	19,066,895
Net investment income (loss)	3,208,538		14,984,225
Interest expense	(9,914,291)		(9,993,961)
Other nonoperating revenues (expenses)	(3,256,250)	(11,445,584)	16,484,597
Net nonoperating revenues (expenses)	(9,962,003)	(25,143,462)	381,302,234
Income (loss) before other revenues and additions	(27,494,137)	0	8,313,610
Capital appropriations	44,810,663		61,261,565
Capital grants and gifts	2,687,114		77,105,054
Additions to permanent endowments			1,966,520
Increase (decrease) in net position	20,003,640	0	148,646,749
NET POSITION - BEGINNING OF YEAR	121,876,771		129,948,286
Net position restatement - error correction	11,465,376		11,185,274
NET POSITION - END OF YEAR	\$153,345,787	\$0	\$289,780,309

(Concluded)

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

**Combining Schedule of Cash Flows, by College
For the Year Ended June 30, 2024**

	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		\$17,219,876	\$15,903,892	\$3,397,930	\$30,791,973
Grants and contracts	\$63,277,917	4,345,131	5,062,177	4,280,593	11,078,688
Sales and services of educational departments			15,855	700	20,103
Auxiliary enterprise receipts		(25,713)			674,141
Payments for employee compensation	(16,089,369)	(26,857,381)	(21,774,315)	(7,088,241)	(52,089,234)
Payments for benefits	(7,427,950)	(9,787,695)	(8,858,025)	(3,024,938)	(20,041,195)
Payments for utilities		(2,524,097)	(1,386,322)	(411,142)	(3,773,316)
Payments for supplies and services	(77,713,593)	(10,470,922)	(10,315,412)	(4,673,846)	(26,117,180)
Payments for scholarships and fellowships		(11,507,167)	(13,554,564)	(2,798,007)	(28,296,098)
Other receipts (payments)	4,703,740	203,904	340,964	40,524	(1,323,805)
Net cash provided (used) by operating activities	(33,249,255)	(39,404,064)	(34,565,750)	(10,276,427)	(89,075,923)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
State appropriations	23,794,527	19,575,861	17,166,781	6,317,276	37,112,384
Gifts and grants for other than capital purposes		28,265,877	19,200,540	6,079,358	48,519,937
Private gifts for endowment purposes			180,000		330,000
COVID-19 federal funding receipts	4,448,346	901,250	1,116,797	1,007,604	6,755,811
TOPS receipts		1,622,687	1,149,098	284,836	1,181,084
TOPS disbursements		(1,590,426)	(1,149,098)	(284,836)	(1,181,084)
M.J. Foster Promise Program receipts		581,548	208,591	82,899	413,227
M.J. Foster Promise Program disbursements		(573,973)	(208,591)	(82,899)	(413,227)
Direct lending receipts		27,720,707	20,438,411	3,451,732	44,311,980
Direct lending disbursements		(27,722,192)	(20,438,411)	(3,451,732)	(44,311,980)
Other receipts (payments)	(540,562)		293,427	49,469	581,811
Net cash provided (used) by noncapital financing activities	27,702,311	48,781,339	37,957,545	13,453,707	93,299,943
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital appropriations received					
Capital grants and gifts received					
Proceeds from sale of capital assets					45,000
Receipts from lessor leases					
Purchases of capital assets	(1,007,359)	(2,749,576)	(1,236,077)	(349,790)	(4,161,400)
Principal paid on capital debt and leases					(217,500)
Interest paid on capital debt and leases	(9,103)		(1,832)		(67,991)
Payments for intangible right-to-use assets	(1,241,965)		(238,870)		(187,187)
Other sources (uses)					
Net cash used by capital and related financing activities	(2,258,427)	(2,749,576)	(1,476,779)	(349,790)	(4,589,078)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from sales and maturities of investments					181,881
Interest received on investments	2,072,984	2,480,842	811,124	202,112	1,122,039
Purchase of investments			(180,000)	(290,000)	(286,352)
Net cash provided (used) by investing activities	2,072,984	2,480,842	631,124	(87,888)	1,017,568
Net Increase (decrease) in Cash and Cash Equivalents	(5,732,387)	9,108,541	2,546,140	2,739,602	652,510
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (Restated)	31,607,575	41,903,469	19,975,121	9,087,442	24,587,996
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$25,875,188	\$51,012,010	\$22,521,261	\$11,827,044	\$25,240,506

(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
\$3,755,162	\$4,093,674	\$4,341,119	\$5,095,136	\$2,012,064	\$8,996,699	\$14,058,157
2,373,241	2,608,155	7,736,306	4,065,536	1,568,864	3,559,418	8,512,885
	1,379	56,361	2,988			6,503
(8,568,406)	(9,814,610)	(14,857,368)	(14,217,917)	(5,486,346)	(10,255,020)	(24,088,973)
(3,173,419)	(3,733,255)	(6,163,199)	(5,455,224)	(2,362,117)	(3,673,558)	(10,458,502)
(387,009)	(552,043)	(765,490)	(595,727)	(409,426)	(528,448)	(1,549,769)
(4,009,707)	(5,170,253)	(8,750,085)	(4,550,824)	(3,150,847)	(5,951,661)	(13,810,404)
(2,759,364)	(3,217,455)	(3,266,215)	(2,723,965)	(1,598,568)	(5,390,041)	(7,165,603)
<u>110,404</u>	<u>(62,657)</u>	<u>(365,002)</u>	<u>(573,061)</u>	<u>(136,892)</u>	<u>(319,566)</u>	<u>(442,513)</u>
<u>(12,659,098)</u>	<u>(15,847,065)</u>	<u>(22,033,573)</u>	<u>(18,953,058)</u>	<u>(9,563,268)</u>	<u>(13,562,177)</u>	<u>(34,938,219)</u>
5,738,511	5,919,704	11,292,025	10,657,845	5,694,149	6,832,392	18,087,044
8,658,839	8,923,096	13,758,777	9,746,124	4,752,602	5,708,302	21,371,789
40,000		19,217	953,303			160,000
959,380	1,081,194	636,875	316,131	552,686	983,587	1,799,460
315,358	438,498	595,135	521,190	255,507	755,539	1,434,160
(315,358)	(438,498)	(595,135)	(521,190)	(255,507)	(755,539)	(1,434,160)
74,833	128,827	274,354	39,920	99,202	177,216	1,294,000
(74,833)	(128,827)	(274,354)	(39,920)	(99,202)	(177,216)	(1,294,000)
6,770,179	6,321,664	10,077,367	7,009,438		4,681,651	16,860,569
(6,770,179)	(6,321,664)	(10,077,367)	(7,009,438)		(4,681,651)	(16,860,569)
<u>706,978</u>	<u>277,760</u>	<u>188,346</u>	<u>54,226</u>	<u>43,673</u>	<u>78,207</u>	<u>416,232</u>
<u>16,103,708</u>	<u>16,201,754</u>	<u>25,895,240</u>	<u>21,727,629</u>	<u>11,043,110</u>	<u>13,602,488</u>	<u>41,834,525</u>
3,533		1,443				3,745
(2,386,120)	(1,274,984)	(849,371)	(693,811)	(97,421)	7,560	(2,398,986)
	(99,060)				(225,714)	(87,336)
	(300)	(3,584)	(4,361)			(1,379)
	(89,002)	(169,231)	(461,545)			(55,783)
<u>(2,382,587)</u>	<u>(1,463,346)</u>	<u>(1,020,743)</u>	<u>(1,159,717)</u>	<u>(97,421)</u>	<u>(218,154)</u>	<u>(2,539,739)</u>
505,773	528,820	559,087	732,583		636,411	79,319
(20,000)	(60,000)	(19,217)	(318,928)			697,732
<u>485,773</u>	<u>468,820</u>	<u>539,870</u>	<u>413,655</u>	<u>0</u>	<u>636,411</u>	<u>777,051</u>
1,547,796	(639,837)	3,380,794	2,028,509	1,382,421	458,568	5,133,618
<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>
<u>\$8,899,065</u>	<u>\$11,639,100</u>	<u>\$28,305,050</u>	<u>\$14,479,162</u>	<u>\$7,366,710</u>	<u>\$13,400,308</u>	<u>\$38,015,772</u>

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

**Combining Schedule of Cash Flows, by College
For the Year Ended June 30, 2024**

	SOWELA Technical Community College	Facilities Corporations	System Eliminating Entries	Total Per System
CASH FLOWS FROM OPERATING ACTIVITIES:				
Tuition and fees	\$6,537,339			\$116,203,021
Grants and contracts	2,044,190		(\$29,352,506)	91,160,595
Sales and services of educational departments	32,635			75,796
Auxiliary enterprise receipts				709,156
Payments for employee compensation	(14,317,429)			(225,504,609)
Payments for benefits	(5,703,000)			(89,862,077)
Payments for utilities	(1,004,980)			(13,887,769)
Payments for supplies and services	(7,985,552)		54,495,968	(128,174,318)
Payments for scholarships and fellowships	(3,617,262)			(85,894,309)
Other receipts (payments)	31,724			2,207,764
Net cash provided (used) by operating activities	(23,982,335)		25,143,462	(332,966,750)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
State appropriations	12,792,251			180,980,750
Gifts and grants for other than capital purposes	11,813,193		(11,445,584)	175,352,850
Private gifts for endowment purposes	164,000			1,846,520
COVID-19 federal funding receipts	2,479,893		(13,697,878)	9,341,136
TOPS receipts	1,445,305			9,998,397
TOPS disbursements	(1,445,305)			(9,966,136)
M.J. Foster Promise Program receipts	247,898			3,622,515
M.J. Foster Promise Program disbursements	(247,898)			(3,614,940)
Direct lending receipts				147,643,698
Direct lending disbursements				(147,645,183)
Other receipts (payments)	806,020	(\$1,840,100)		1,115,487
Net cash provided (used) by noncapital financing activities	28,055,357	(1,840,100)	(25,143,462)	368,675,094
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital appropriations received		43,927,485		43,927,485
Capital grants and gifts received		7,687,114		7,687,114
Proceeds from sale of capital assets				8,721
Receipts from lessor leases				52,560
Purchases of capital assets	(2,861,706)	(24,102,093)		(44,394,408)
Principal paid on capital debt and leases		(26,475,000)		(26,878,896)
Interest paid on capital debt and leases		(13,979,052)		(14,067,602)
Payments for intangible right-to-use assets				(2,443,583)
Other sources (uses)		(956,851)		(956,851)
Net cash used by capital and related financing activities	(2,861,706)	(13,898,397)	0	(37,065,460)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sales and maturities of investments		21,426,685		21,687,885
Interest received on investments	748,879	3,018,758		14,117,144
Purchase of investments	(159,963)	(350,000)		(1,684,460)
Net cash provided (used) by investing activities	588,916	24,095,443	0	34,120,569
Net Increase (decrease) in Cash and Cash Equivalents	1,800,232	8,356,946	0	32,763,453
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (Restated)	16,401,135	53,197,549		305,573,585
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$18,201,367	\$61,554,495	\$0	\$338,337,038

(Continued)

**LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA
Combining Schedule of Cash Flows, by College
For the Year Ended June 30, 2024**

	Board Office	Baton Rouge Community College	Bossier Parish Community College	Central Louisiana Technical Community College	Delgado Community College
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	(\$43,193,961)	(\$36,500,952)	(\$34,441,216)	(\$8,272,806)	(\$88,000,158)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation/amortization expense	1,846,979	2,098,692	1,630,317	566,252	4,714,516
Nonemployer contributing entity revenue	352,577	617,715	399,833	124,710	1,261,953
Noncash capital expense					
Noncash insurance recoveries					
Changes in assets, deferred outflows, liabilities, and deferred inflows:					
(Increase) decrease in accounts receivable, net	1,109,883	(1,951,074)	672	254,182	(1,285,472)
(Increase) decrease in due from other funds	(79,666)				
(Increase) decrease in inventories					
(Increase) decrease in prepaid expenses and advances		(116,730)		(20,886)	205,460
(Increase) decrease in other assets			25,436		
(Increase) decrease in deferred outflows related to pensions	520,661	1,561,268	(712,203)	858,573	1,260,876
(Increase) decrease in deferred outflows related to OPEB	41,517	280,229	(719,286)	274,118	886,809
Increase (decrease) in accounts payable and accrued liabilities	(2,179,639)	(219,472)	(210,016)	160,334	315,719
Increase (decrease) in unearned revenue	9,198,367	210,514	(26,643)	17,122	81,905
Increase (decrease) in amounts held in custody for others		(12,340)		(37,394)	
Increase (decrease) in compensated absences	80,432	115,852	40,235	13,026	(147,739)
Increase (decrease) in net pension liability	(1,305,117)	(5,643,405)	(1,508,517)	(2,976,210)	(5,742,907)
Increase (decrease) in OPEB liability	1,426,886	788,043	2,975,534	701,350	3,497,191
Increase (decrease) in other liabilities	(2,070)	1,103,186	57,464		(10,793)
Increase (decrease) in deferred inflows related to pensions	(4,324)	969,601	136,508	1,009,092	512,805
Increase (decrease) in deferred inflows related to OPEB	(1,061,780)	(2,860,591)	(2,213,868)	(2,947,890)	(6,626,088)
Increase (decrease) in deferred inflows related to leases		155,400			
Net cash provided (used) by operating activities:	<u>(\$33,249,255)</u>	<u>(\$39,404,064)</u>	<u>(\$34,565,750)</u>	<u>(\$10,276,427)</u>	<u>(\$89,075,923)</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION:					
Cash and cash equivalents classified as current assets	\$25,875,188	\$51,012,010	\$22,521,261	\$11,810,495	\$24,047,202
Cash and cash equivalents classified as noncurrent assets				16,549	1,193,304
Cash and cash equivalents at the end of the year	<u>\$25,875,188</u>	<u>\$51,012,010</u>	<u>\$22,521,261</u>	<u>\$11,827,044</u>	<u>\$25,240,506</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES					
Noncash capital appropriation, grant, and/or gift of capital assets		\$13,941,993			\$1,307,143
Noncash grants and gifts					
Noncash insurance recoveries used for construction in progress					
Net gain (loss) on disposal of capital assets					(\$3,215,264)
Unrealized gain (loss) on investments		\$245,435			
Amortization of bond premium					
Amortization of bond issuance costs					
Federal nonoperating receivables			\$95,144		\$464,638
COVID-19 federal funding receivables	\$14,534,533		\$786,250	\$10,927	\$1,710,095
Retainage payable					
Other nonoperating accounts and contracts payable					
Other current liabilities - interest payable	(\$7,434)				\$15,990
Loss on early termination of SBITA's		(\$150,616)			
State appropriations receivable	\$1,062,500		\$93,767	\$42,473	\$261,146

(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
(\$13,490,066)	(\$17,025,380)	(\$20,967,320)	(\$20,875,062)	(\$9,243,388)	(\$13,955,985)	(\$35,956,559)
1,856,287	1,114,610	1,236,557	1,646,346	316,770	612,585	1,389,557
111,607	173,499	241,585	328,891	119,700	164,865	527,010
5,565						
(431,067)	(832,276)	(284,256)	(136,393)	245,996	(128,708)	280,468
		(649)				
8,368	(198,966)	12,500	(28,185)		250	(11,612)
	28,851					
(109,009)	231,525	(777,383)	(655,417)	190,587	274,031	1,844,375
422,167	9,076	374,918	(39,212)	328,118	78,784	404,110
(109,589)	466,250	(301,385)	67,283	(276,144)	(158,995)	1,291,943
65,705	261,482	(221,627)	(50,123)	(101,742)	(42,377)	485,064
	(16,273)					(2,282)
69,788	14,543	10,585	20,867	6,664	189,577	108,774
(608,640)	(245,830)	(390,568)	697,329	(315,032)	(505,878)	(2,920,297)
130,688	749,535	595,690	861,230	484,167	305,456	1,904,912
(4,535)		805	490		(5,006)	
322,910	297,984	206,241	183,385	55,485	347,810	(487,015)
(899,277)	(875,695)	(1,769,266)	(974,487)	(1,374,449)	(738,586)	(3,796,667)
<u>(\$12,659,098)</u>	<u>(\$15,847,065)</u>	<u>(\$22,033,573)</u>	<u>(\$18,953,058)</u>	<u>(\$9,563,268)</u>	<u>(\$13,562,177)</u>	<u>(\$34,938,219)</u>
\$8,742,984	\$11,639,100	\$28,305,050	\$13,714,771	\$7,366,710	\$13,337,361	\$37,855,772
156,081			764,391		62,947	160,000
<u>\$8,899,065</u>	<u>\$11,639,100</u>	<u>\$28,305,050</u>	<u>\$14,479,162</u>	<u>\$7,366,710</u>	<u>\$13,400,308</u>	<u>\$38,015,772</u>
\$50,056	\$24,000		\$676,000		\$1,098,744	
\$5,509						\$126,966
(\$11,413)			(\$572)			
\$19,014	\$70,461	\$52,711	\$20,441		\$27,072	\$262,635
\$458,913					\$133,121	\$575,263
\$942,500	\$177,584	\$367,500			\$498,009	
	\$11	\$1,543	\$4,361			
\$29,994	\$35,309	\$82,637	\$45,990	\$44,752	\$199,490	

**LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA
Combining Schedule of Cash Flows, by College
For the Year Ended June 30, 2024**

	SOWELA Technical Community College	Facilities Corporations	System Eliminating Entries	Total Per System
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	(\$38,677,099)	(\$17,532,134)	\$25,143,462	(\$372,988,624)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation/amortization expense	15,137,772	17,532,134		51,699,374
Nonemployer contributing entity revenue	253,972			4,677,917
Noncash capital expense				5,565
Noncash insurance recoveries	530,689			530,689
Changes in assets, deferred outflows, liabilities, and deferred inflows:				
(Increase) decrease in accounts receivable, net	(900,229)			(4,058,274)
(Increase) decrease in due from other funds				(79,666)
(Increase) decrease in inventories				(649)
(Increase) decrease in prepaid expenses and advances	(48,034)			(197,835)
(Increase) decrease in other assets				54,287
(Increase) decrease in deferred outflows related to pensions	(460,027)			4,027,857
(Increase) decrease in deferred outflows related to OPEB	(395,188)			1,946,160
Increase (decrease) in accounts payable and accrued liabilities	181,100			(972,611)
Increase (decrease) in unearned revenue	(11,968)			9,865,679
Increase (decrease) in amounts held in custody for others				(68,289)
Increase (decrease) in compensated absences	55,703			578,307
Increase (decrease) in net pension liability	39,829			(21,425,243)
Increase (decrease) in OPEB liability	1,612,089			16,032,771
Increase (decrease) in other liabilities	(12)			1,139,529
Increase (decrease) in deferred inflows related to pensions	137,706			3,688,188
Increase (decrease) in deferred inflows related to OPEB	(1,438,638)			(27,577,282)
Increase (decrease) in deferred inflows related to leases				155,400
Net cash provided (used) by operating activities:	(\$23,982,335)	\$0	\$25,143,462	(\$332,966,750)
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION:				
Cash and cash equivalents classified as current assets	\$17,994,650			\$274,222,554
Cash and cash equivalents classified as noncurrent assets	206,717	\$61,554,495		64,114,484
Cash and cash equivalents at the end of the year	\$18,201,367	\$61,554,495	\$0	\$338,337,038
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Noncash capital appropriation, grant, and/or gift of capital assets	\$73,563,311			\$90,661,247
Noncash grants and gifts				\$132,475
Noncash insurance recoveries used for construction in progress	\$1,025,277			\$1,025,277
Net gain (loss) on disposal of capital assets		(\$5,102)		(\$3,232,351)
Unrealized gain (loss) on investments	\$99,535	\$189,780		\$987,084
Amortization of bond premium		\$3,829,531		\$3,829,531
Amortization of bond issuance costs		\$449,127		\$449,127
Federal nonoperating receivables	\$9,702			\$1,736,781
COVID-19 federal funding receivables	\$327,854		(\$14,534,533)	\$4,820,719
Retainage payable		\$701,262		\$701,262
Other nonoperating accounts and contracts payable		\$156,124		\$156,124
Other current liabilities - interest payable		\$2,993,061		\$3,007,532
Loss on early termination of SBITA's				(\$150,616)
State appropriations receivable	\$201,429		(\$2,099,487)	\$0

(Concluded)

**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	<u>49,120,680</u>	<u>46,816,560</u>	<u>27,135,924</u>	<u>10,708,912</u>	<u>38,024,233</u>
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					67,345
Leases receivable					
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	<u>3,904,937</u>	<u>44,451,789</u>	<u>23,609,935</u>	<u>6,553,945</u>	<u>78,903,545</u>
Total Assets	<u>53,025,617</u>	<u>91,268,349</u>	<u>50,745,859</u>	<u>17,262,857</u>	<u>116,927,778</u>
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	<u>11,424,872</u>	<u>16,629,982</u>	<u>16,839,729</u>	<u>6,708,117</u>	<u>35,275,814</u>
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	<u>29,548,734</u>	<u>5,786,572</u>	<u>4,725,728</u>	<u>1,573,428</u>	<u>12,139,376</u>
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	<u>42,492,353</u>	<u>70,319,251</u>	<u>55,933,479</u>	<u>24,400,597</u>	<u>148,701,124</u>
Total Liabilities	<u>72,041,087</u>	<u>76,105,823</u>	<u>60,659,207</u>	<u>25,974,025</u>	<u>160,840,500</u>
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	<u>5,357,022</u>	<u>15,221,179</u>	<u>11,100,402</u>	<u>10,668,128</u>	<u>26,136,710</u>
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	<u>(\$12,947,620)</u>	<u>\$16,571,329</u>	<u>(\$4,174,021)</u>	<u>(\$12,671,179)</u>	<u>(\$34,773,618)</u>

The FY 2023 combining schedules were not restated as it was determined to be immaterial. Refer to Note 16 Restatement of Beginning Net Position.

(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
\$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	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	5,368,626 1,665,441	7,524,353 3,078,629	8,256,895 1,500,648	3,307,621 2,586,039	5,571,826 1,084,670	13,959,659 5,181,282	7,197,786 2,624,489
<u>5,411,626</u>	<u>7,034,067</u>	<u>10,602,982</u>	<u>9,757,543</u>	<u>5,893,660</u>	<u>6,656,496</u>	<u>19,140,941</u>	<u>9,822,275</u>
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	178,268 1,017,702	123,635 577,775	59,467 268,572	152,373 307,935	357,370 2,402,364	136,017 558,824
96,483	18,985 68,821 99,060 89,002	73,389	48,046	72,216	100,815	63,270 231,204 87,336 55,783	17,699 116,350
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)

The FY 2023 combining schedules were not restated as it was determined to be immaterial.
Refer to Note 16 Restatement of Beginning Net Position.

(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
\$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							421,406
			5,978			410,000	56,705
20,000	80,583	11,304	100,000			190,000	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)	<u>11,954,719</u>	<u>(1,316,399)</u>	<u>(594,439)</u>	<u>(133,431)</u>	<u>(2,790,441)</u>
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>
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)	<u>104,030</u>		<u>279,162</u>	<u>(44,536)</u>	<u>(263,352)</u>
Net cash provided (used) by noncapital financing activities	<u>41,568,511</u>	<u>54,238,042</u>	<u>36,535,039</u>	<u>17,344,547</u>	<u>102,581,390</u>
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	<u>(1,810,285)</u>	<u>(2,288,009)</u>	<u>(1,019,780)</u>	<u>(681,754)</u>	<u>(5,025,824)</u>
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	<u>1,276,871</u>	<u>1,523,755</u>	<u>270,300</u>	<u>83,707</u>	<u>672,345</u>
Net Increase (decrease) in Cash and Cash Equivalents	<u>7,674,356</u>	<u>6,864,929</u>	<u>(1,415,457)</u>	<u>3,996,695</u>	<u>(1,471,887)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (Restated)	<u>23,933,219</u>	<u>35,038,540</u>	<u>21,390,578</u>	<u>4,960,708</u>	<u>26,059,883</u>
CASH AND CASH EQUIVALENTS AT END OF 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>

The FY 2023 combining schedules were not restated as it was determined to be immaterial. Refer to Note 16 Restatement of Beginning Net Position.

(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
\$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
					7,650	
(2,062,983)	(581,712)	(2,826,561)	(1,035,445)	(99,332)	(1,775,747)	(1,677,663)
	(563)	(435)	(483)			(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>
		48,275				54,320
263,923	325,189	170,185	410,594		469,441	477,537
(30,000)			(44,500)		(187,500)	(190,000)
<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
<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>10,767,437</u>	<u>26,346,111</u>
<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:	(\$33,360,741)	(\$46,608,859)	(\$37,201,016)	(\$12,749,805)	(\$99,699,798)

**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	\$31,607,575	\$41,903,469	\$19,975,121	\$8,957,403	\$24,587,996

**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 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
(\$15,369,724)	(\$16,986,521)	(\$25,617,146)	(\$20,332,336)	(\$10,414,188)	(\$14,018,861)	(\$36,967,054)
1,560,230	995,366	1,196,953	1,380,613	350,324	489,898	1,416,481
51,764	56,237	87,936	88,199	31,643	57,437	139,918
350,151						
(701,833)	(376,420)	1,868,671	(634,933)	(110,210)	(308,570)	(472,039)
		(7,217)				
68,701	27,763	(12,500)	31,815			4,819
	(28,886)	11,264				
(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)
		83,848				
(45,975)	(17,503)	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	\$12,218,937	\$24,924,256	\$12,335,153	\$5,984,289	\$12,941,740	\$32,882,154
112,066	60,000		115,500			
<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			\$5,978			
\$28,750						\$410,000
\$71,836						
(\$76,418)		(\$10,946)				(\$95,328)
(\$37,583)	\$59,713	(\$44,312)	(\$55,141)		\$16,800	\$161,944
\$1,656,645			\$7,127		\$65,992	\$271,457
\$182,662	\$4,659	\$509,500		\$297,610	\$204,102	
	\$16	(\$3,085)	(\$4,361)			
\$321,201						

**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)

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 17, 2024

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, 2024, 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 17, 2024.

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, 2024. 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, 2024, 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 2024 Management Letter	Pending	Pending
Bossier Parish Community College	Fiscal Year 2024 Management Letter	Pending	Pending
Central Louisiana Technical Community College	None	N/A	N/A
Delgado Community College	Fiscal Year 2024 Management Letter	Pending	Pending
Elaine P. Nunez Community College	None	N/A	N/A
L. E. Fletcher Technical Community College	None	N/A	N/A
Louisiana Delta Community College	Fiscal Year 2024 Management Letter	November 27, 2024	None
Northshore Technical Community College	Fiscal Year 2024 Procedural Report	July 24, 2024	Weakness in Controls over Tuition and Fee Revenue Related to Non-Credit Student Enrollment Management
Northwest Louisiana Technical Community College	Fiscal Year 2024 Full Scope	Pending	Pending
River Parishes Community College	Fiscal Year 2024 Procedural Report	May 15, 2024	None
South Louisiana Community College	Fiscal Year 2024 Management Letter	Pending	Pending
SOWELA Technical Community College	None	N/A	N/A

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:aa

LCTCS 2024