CENTRAL LOUISIANA TECHNICAL COMMUNITY COLLEGE

LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM

A COMPONENT UNIT OF THE STATE OF LOUISIANA

FINANCIAL AUDIT SERVICES

Financial Statement Audit for the Year Ended June 30, 2023
Issued February 22, 2024

LOUISIANA LEGISLATIVE AUDITOR

LOUISIANA LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
POST OFFICE BOX 94397
BATON ROUGE, LOUISIANA 70804-9397

LEGISLATIVE AUDITOR
MICHAEL J. "MIKE" WAGUESPACK, CPA

FIRST ASSISTANT LEGISLATIVE AUDITOR
BETH Q. DAVIS, CPA

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report is available for public inspection at the Baton Rouge office of the Louisiana Legislative Auditor and online at www.lla.la.gov. When contacting the office, you may refer to Agency ID No. 3283 or Report ID No. 80230078 for additional information.

This document is produced by the Louisiana Legislative Auditor, State of Louisiana, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397 in accordance with Louisiana Revised Statute 24:513. One copy of this public document was produced at an approximate cost of $1.45. This material was produced in accordance with the standards for state agencies established pursuant to R.S. 43:31.

TABLE OF CONTENTS

LOUISIANA LEGISLATIVE AUDITOR

MICHAEL J. "MIKE" WAGUESPACK, CPA
LOUISIANA LEGISLATIVE AUDITOR

February 21, 2024

Independent Auditor's Report

CENTRAL LOUISIANA TECHNICAL COMMUNITY COLLEGE
LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA
Alexandria, Louisiana

Report on the Audit of the Financial Statements

Opinion

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

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

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 College 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.

Emphasis of Matter

As discussed in note 1-B to the financial statements, the accompanying financial statements of the College are intended to present the financial position, the changes in financial position, and cash flows of only that portion of the business-type activities of the System that is attributable to the transactions of the College. They do not purport to, and do not, present fairly the financial position of the System as of June 30, 2023, the changes in its financial position or its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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 College'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 College'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 College'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 6 through 12, the Schedule of the College's Proportionate Share of the Net Pension Liability on page 47, the Schedule of the College's Contributions on page 47, and the Schedule of the College's Proportionate Share of the Total Collective OPEB Liability on page 49 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2024, on our consideration of the College'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 College'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 College's internal control over financial reporting and compliance.

Respectfully submitted,

Michael J. "Mike" Waguespack, CPA
Legislative Auditor

WW:AHC:JPT:BQD:aa

CLTCC 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis of Central Louisiana Technical Community College's (College) financial performance presents a narrative overview and analysis of the College's financial activities for the year ended June 30, 2023. This document focuses on the current-year's activities, resulting changes, and currently known facts in comparison with the prior-year's information. Please read this document in conjunction with the College's financial statements, which begin on page 13. **Amounts are presented in thousands unless otherwise noted.**

FINANCIAL HIGHLIGHTS

The College's net position, as restated increased from ($17,818) to ($11,989), or 32.7%, from July 1, 2022, to June 30, 2023. The overall reasons for this increase included:

- Increase in non-credit training activities
- Lost revenue recovery from COVID-19 funds
- Decrease in expense due to the transfer of operations of three campuses to other colleges in the LCTCS system
- Decrease in expenses related to the changes in the OPEB liability

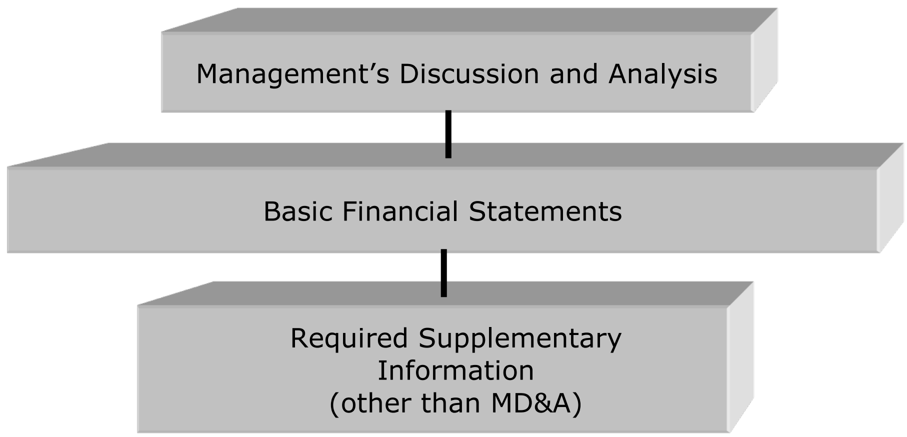
Enrollment changed from 4,282 to 2,710 from July 1, 2022, to June 30, 2023, a decrease of 36.7%. The reason for this change is the transfer of operations of three campuses to other colleges in the LCTCS system. Prior enrollment adjusted for the transfer of operations was 2,845 compared to current enrollment resulting in a decrease of 5%.

The College's operating revenues increased from $8,009 to $8,108, or 1.2%, from July 1, 2022, to June 30, 2023, primarily due to increases in federal grants and contracts and state funding for Incumbent Worker training programs. Operating expenses, however, decreased by 8.9%, to $17,453, for the year ended June 30, 2023. The changes in enrollment as discussed above and the transfer of operations of three campuses to other colleges in the LCTCS system are the primary reasons for this change.

Non-operating revenues fluctuate depending upon levels of state operating and capital appropriations and federal nonoperating revenues. The change to $16,593 in 2023 from $16,842 in 2022 is attributed to state nonoperating Rapid Response Training awards.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for special purpose governments engaged in business-type activities established by Governmental Accounting Standards Board (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 College 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 (page 13) 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 College is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Position (pages 14-15) presents information showing how the College'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 16-17) presents information showing how the College'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 College'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 required supplementary information that further explains and supports the information in the financial statements.

The College's financial statements are prepared on an accrual basis in conformity with accounting principles generally accepted in the United States of America (GAAP) 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 outflows/inflows of resources associated with the operation of the College are included in the Statement of Net Position.

FINANCIAL ANALYSIS

Table A-1

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

	2023	2022 (restated)	Variance	Percentage Change
Assets:				
Current and other assets	$12,000	$7,700	$4,300	55.8%
Capital assets	6,089	7,500	(1,411)	(18.8%)
Total assets	18,089	15,200	2,889	19.0%
Total deferred outflows of resources	6,708	7,584	(876)	(11.6%)
Total assets and deferred outflows of resources	$24,797	$22,784	$2,013	8.8%
Liabilities:				
Current liabilities	$1,717	$2,389	($672)	(28.1%)
Long-term liabilities	24,401	26,837	(2,436)	(9.1%)
Total liabilities	26,118	29,226	(3,108)	(10.6%)
Total deferred inflows of resources	10,668	11,376	(708)	(6.2%)
Total liabilities and deferred inflows of resources	$36,786	$40,602	($3,816)	(9.4%)
Net Position:				
Investment in capital assets	$6,089	$7,500	($1,411)	(18.8%)
Restricted	5,415	4,952	463	9.3%
Unrestricted	(23,493)	(30,270)	6,777	22.4%
Total net position	($11,989)	($17,818)	$5,829	32.7%

This schedule is prepared from the College's Statement of Net Position, as shown on page 13, which is presented on an accrual basis of accounting.

The 55.8% increase in current and other assets is mainly due to the receipts of several Rapid Response Grants, lost revenue, and a Special Legislative Appropriation for the Avoyelles campus.

The net position restricted for grants and other purposes increased 9.3%.

Investment in capital assets consists of capital assets net of accumulated depreciation. 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 the portion of net position that has no limitations on how these amounts may be spent.

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

	2023	2022 (restated)	Variance	Percentage Change
Operating revenues:				
Student tuition and fees, net	$3,609	$4,455	($846)	(19%)
Grants and contracts	4,439	3,324	1,115	34%
Sales and services of educational departments	5	8	(3)	(38%)
Other	55	222	(167)	(75%)
Total operating revenues	8,108	8,009	99	1%
Nonoperating revenues:				
State appropriations	5,746	6,775	(1,029)	(15%)
Gifts	103	73	30	41%
Federal nonoperating revenues	7,043	8,161	(1,118)	(14%)
Other nonoperating revenues	3,701	1,833	1,868	102%
Total nonoperating revenues	16,593	16,842	(249)	(1%)
Total Revenues	24,701	24,851	(150)	(1%)
Operating expenses:				
Educational and general:				
Instruction	6,278	6,917	(639)	(9%)
Public Service				
Academic support	1,333	1,612	(279)	(17%)
Student services	1,118	1,060	58	5%
Institutional support	2,362	3,022	(660)	(22%)
Operations and maintenance of plant	1,822	1,624	198	12%
Depreciation	597	723	(126)	(17%)
Scholarships and fellowships	3,587	3,857	(270)	(7%)
Other operating expenses	356	349	7	2%
Total operating expenses	17,453	19,164	(1,711)	(9%)
Income before other revenues	7,248	5,687	1,561	27%
Addition to permanent endowments	290		290	
Transfer of operations	(1,709)		(1,709)	
Total other revenues	(1,419)		(1,419)	
Change in net position	5,829	5,687	142	2%
Net position, beginning of year, restated	(17,818)	(23,505)	5,687	24%
Net position, end of year	($11,989)	($17,818)	$5,829	32.7%

Non-operating revenues decreased to $16,593; significant changes include decreases in state appropriations and federal nonoperating revenues due to transfer of operations of three campuses to other colleges in the LCTCS system. This was offset by an increase in other nonoperating revenues mainly due to Rapid Response Training awards.

The College's operating revenues increased by $99, or 1%, mainly due to an increase in funding for Incumbent Worker training programs. Operating expenses, however, decreased by $1,711 primarily due to transfer of operations of three campuses to other colleges in the LCTCS system.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2023, the College had invested approximately $6,089 in capital assets, net of accumulated depreciation. This amount represents a net decrease (including additions and disposals, net of depreciation) of approximately $1,411, or 18.8%, over the previous fiscal year.

More detailed information about the College's capital assets is presented in note 5 to the financial statements.

Table A-3

Central Louisiana Technical Community College
Capital Assets, Net of Depreciation
(in thousands of dollars)
As of June 30, 2023 and 2022

	2023	2022 (restated)	Variance	Percentage Change
Land and improvements	$3,437	$3,658	($221)	(6.0%)
Buildings	502	1,501	($999)	(66.6%)
Equipment	2,150	2,341	($191)	(8.2%)
Total	$6,089	$7,500	($1,411)	(18.8%)

This year's major additions included equipment acquisitions of $764.

DEBT ADMINISTRATION

See note 12 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 results of operations:

- Loss of HEERF funding
- Fluctuation in enrollment as it relates to the COVID-19 pandemic
- COVID-19 pandemic and its effects on federal, state and local economy
- Anticipated Southern Association of Colleges and Schools Commission on Colleges Accreditation
- Changes in State Appropriations and grant funding

CONTACTING THE CENTRAL LOUISIANA TECHNICAL COMMUNITY COLLEGE'S MANAGEMENT

This financial report is designed to provide our residents, taxpayers, customers, investors, and creditors with a general overview of the College's finances and show the College's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Amanda Cain, Vice Chancellor of Finance & Administration, by email at amandacain@cltcc.edu.

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

Statement of Net Position
June 30, 2023

ASSETS	
Current assets:	
Cash and cash equivalents (note 2)	$8,790,742
Receivables, net (note 4)	1,327,779
Due from federal government (note 4)	554,389
Due from Louisiana Community and Technical College System (LCTCS)	719,269
Prepaid expenses and advances	19,723
Total current assets	11,411,902
Noncurrent assets:	
Restricted assets:	
Cash and cash equivalents (note 2)	296,700
Investments (note 3)	290,736
Capital assets, net (note 5)	6,089,054
Total noncurrent assets	6,676,490
Total assets	18,088,392
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions (note 6)	4,426,246
Deferred outflows related to other postemployment benefits (OPEB) (note 8)	2,281,871
Total deferred outflows of resources	6,708,117
LIABILITIES	
Current liabilities:	
Accounts payable and accruals (note 9)	486,737
Due to federal government	146,698
Due to LCTCS	65,726
Unearned revenues (note 10)	327,257
Compensated absences payable (notes 11 and 12)	74,466
Other Liabilities	86,517
OPEB liability (note 8)	529,701
Total current liabilities	1,717,102
Noncurrent liabilities:	
Compensated absences payable (notes 11 and 12)	530,628
Net pension liability (note 6)	14,015,870
OPEB liability (note 8)	9,854,099
Total noncurrent liabilities	24,400,597
Total liabilities	26,117,699
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions (note 6)	1,929,290
Deferred inflows related to OPEB (note 8)	8,738,838
Total deferred inflows of resources	10,668,128
NET POSITION	
Investment in capital assets	6,089,054
Restricted - nonexpendable (note 13)	580,736
Restricted - expendable (note 13)	4,833,924
Unrestricted	(23,493,032)
Total Net Position	($11,989,318)

The accompanying notes are an integral part of this statement.

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

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

OPERATING REVENUES	
Student tuition and fees	$7,071,735
Less scholarship allowances	(3,462,283)
Net student tuition and fees	3,609,452
Federal grants and contracts	2,222,243
State and local grants and contracts	1,316,683
Nongovernmental grants and contracts	900,079
Sales and services of educational departments	5,420
Interagency revenue	5,888
Other operating revenues	48,493
Total operating revenues	8,108,258
OPERATING EXPENSES	
Educational and general:	
Instruction	6,278,070
Academic support	1,333,058
Student services	1,117,696
Institutional support	2,362,447
Operations and maintenance of plant	1,822,109
Depreciation (note 5)	597,032
Scholarships and fellowships	3,587,527
Interagency expenses	356,007
Total operating expenses	17,453,946
OPERATING LOSS	(9,345,688)

(Continued)

The accompanying notes are an integral part of this statement.

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

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

NONOPERATING REVENUES	
State appropriations	$5,745,754
Gifts	103,307
Federal nonoperating revenues	3,449,085
COVID-19 federal funding	3,593,511
Net investment income	83,907
Other nonoperating revenues	3,617,917
Net nonoperating revenues	16,593,481
INCOME BEFORE OTHER REVENUES AND ADDITIONS	7,247,793
Addition to permanent endowments	290,200
Transfer of operations (note 19)	(1,709,418)
INCREASE IN NET POSITION	5,828,575
NET POSITION AT BEGINNING OF YEAR, Restated (note 14)	(17,817,893)
NET POSITION AT END OF YEAR	($11,989,318)

(Concluded)

The accompanying notes are an integral part of this statement.

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

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

CASH FLOWS FROM OPERATING ACTIVITIES:	
Tuition and fees	$3,753,572
Grants and contracts	3,614,318
Sales and services of educational departments	5,420
Payments for employee compensation	(7,531,087)
Payments for benefits	(3,171,603)
Payments for utilities	(464,607)
Payments for supplies and services	(4,680,636)
Payments for scholarships and fellowships	(3,587,527)
Other receipts (payments)	(133,431)
Net cash used by operating activities	(12,195,581)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
State appropriations	5,711,044
Gifts and grants for other than capital purposes	7,208,891
Private gifts for endowment purposes	290,200
COVID-19 federal funding receipts	3,777,905
Taylor Opportunity Program for Students (TOPS) receipts	236,780
TOPS disbursements	(236,780)
MJ Foster Promise Program receipts	40,705
MJ Foster Promise Program disbursements	(40,705)
Direct Lending receipts	2,872,931
Direct Lending disbursements	(2,872,931)
Other receipts (payments)	(44,536)
Net cash provided by noncapital financing activities	16,943,504
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:	
Purchases of capital assets	(834,935)
Net cash used by capital financing activities	(834,935)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest received on investments	83,907
Purchase of investments	(200)
Net cash provided by investing activities	83,707

(Continued)

The accompanying notes are an integral part of this statement.

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

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

NET INCREASE IN CASH	$3,996,695
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (Restated)	5,090,747
CASH AND CASH EQUIVALENTS AT END OF YEAR	$9,087,442
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:	
Operating loss	($9,345,688)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation/amortization expense	597,032
Nonemployer contributing entity revenue	57,686
Changes in assets, deferred outflows, liabilities, and deferred inflows:	
(Increase) in accounts receivables, net	(500,283)
Decrease in prepaid expenses and advances	4,948
(Increase) in deferred outflows related to pensions	(121,492)
Decrease in deferred outflows related to OPEB	996,983
(Decrease) in accounts payable and accrued liabilities	(327,152)
(Decrease) in unearned revenue	(37,212)
Increase in amounts held in custody for others	11,310
(Decrease) in compensated absences	(144,785)
Increase in net pension liability	5,374,077
(Decrease) in total OPEB liability	(8,053,235)
(Decrease) in deferred inflows related to pensions	(5,257,017)
Increase in deferred inflows related to OPEB	4,549,247
Net cash used by operating activities	($12,195,581)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:	
Noncash transfer of operations	($1,577,947)
Federal nonoperating receivables	$401,043
COVID-19 Receivables	50,432
COVID-19 Payables	139,483
State Appropriations receivable	34,710
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION:	
Cash and cash equivalents classified as current assets	$8,790,742
Cash and cash equivalents classified as noncurrent assets	296,700
Total cash and cash equivalents per Statement of Net Position	$9,087,442

(Concluded)

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

INTRODUCTION

Central Louisiana Technical Community College (College) is a publicly-supported institution of higher education. The College is a part of the Louisiana Community and Technical College System (System), which is a component unit of the state of Louisiana within the executive branch of government. The College is under the management and supervision of the System Board of Supervisors; however, certain items, such as the annual budget of the College and changes to the degree programs and departments of instruction, require the approval of the Louisiana Board of Regents of Higher Education. As a state college, operations of the College's instructional programs are funded through annual lapsing appropriations made by the Louisiana Legislature.

The College is comprised of campuses located in Alexandria, Cottonport, Ferriday, Jena, and Winnfield.

The College offers associate of applied science degrees, associate of general studies degrees, technical competency areas, technical diplomas, and certificate of technical studies.

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.

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 College is part of the System, which 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; and (2) the state has control and exercises authority over budget matters. The accompanying financial statements present information only as to the transactions of the programs of the College.

Annually, the state of Louisiana issues an Annual Comprehensive Financial Report, which includes the activity contained in the accompanying financial statements within the System amounts. The Louisiana Legislative Auditor audits the basic financial statements of the System and the state of Louisiana.

C. BASIS OF ACCOUNTING

For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College'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-college 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 College 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 College 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 College 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.

Restricted cash and cash equivalents consist of assets that are restricted by a donor.

E. RESTRICTED INVESTMENTS

Restricted investments consist of a trust 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.

F. CAPITAL ASSETS

Capital Assets: The College 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 College'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.

G. UNEARNED REVENUES

Unearned revenues include amounts received for tuition and fees prior to 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.

H. 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 classes. 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.

I. NONCURRENT LIABILITIES

Noncurrent liabilities include estimated amounts for accrued compensated absences, the pension liability, and the actuarially accrued liability for Other Postemployment Benefits 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.

J. 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 College has the following items that are reported as deferred inflows or outflows of resources: deferred inflows/outflows of resources related to pensions and deferred inflows/outflows of resources related to postemployment benefits.

K. 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:

- *Investment in capital assets* consists of the College's total investment in capital assets, net of accumulated depreciation.

- *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 College 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, and sales and services of educational departments. These resources are used for transactions relating to the educational and general operations of the College 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 College's policy is to first apply the expense toward unrestricted resources, then toward restricted resources.

L. CLASSIFICATION OF REVENUES AND EXPENSES

The College 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.

M. 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 College and the amount that is paid by students and/or third parties making payments on the students' behalf.

N. ADOPTION OF NEW ACCOUNTING PRINCIPLES

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

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

The College implemented Statement No. 96 – *Subscription-Based Information Technology Arrangements*, issued by the Government Accounting Standards Board. This statement provides guidance on the accounting and reporting for subscription-based information technology arrangements. Under this statement, a government is required to recognize an intangible right-to-use subscription asset and a corresponding subscription liability. The adoption of this standard had no impact on the College's financial statements or notes to the financial statements.

The College implemented Statement No. 99 – Omnibus 2022, issued by the Government Accounting Standards Board. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve consistency of authoritative literature by addressing (a) practice issues that have been identified during the implementation and application of certain GASB Statements and (b) accounting and financial reporting for financial guarantees. This statement addresses a variety of topics, and the requirements related to leases, public-private and public-public partnerships (PPPs), and subscription-based information technology arrangements (SBITAs) are effective for fiscal years beginning after June 15, 2022 (state fiscal year 2023). The adoption of this standard had no impact on the College's financial statements or notes to the financial statements.

O. USE OF ESTIMATES

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

2. CASH AND CASH EQUIVALENTS

At June 30, 2023, the College has cash and cash equivalents (book balance) of $9,087,442 as follows:

Petty cash	$1,250
Demand deposits	9,079,492
Cash held in Foundations	6,700
Total	$9,087,442

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

Current assets	$8,790,742
Non current assets	296,700
Total	$9,087,442

Custodial credit risk is the risk that, in the event of a bank failure, the College's deposits may not be recovered. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the College or the pledging bank by a holding or custodial bank that is mutually acceptable to both parties. As of June 30, 2023, the College has $9,152,960 in deposits (collective bank balances) that are secured from risk by federal deposit insurance plus pledged securities.

3. INVESTMENTS:

At June 30, 2023, the College has restricted investments totaling $290,736 as follows:

Type of Investment	Percentage of Investments	Credit Quality Rating	Fair Value June 30, 2023
Nonnegotiable certificate of deposit	100.00%	Not Applicable	$290,736

INVESTMENTS - FAIR VALUE MEASUREMENT

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

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

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

	Fair Value	Quoted Prices in Active Markets for Identical Assets Level 1	Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Nonnegotiable certificate of deposit	$290,736	$290,736	NONE	NONE

4. RECEIVABLES

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

	Receivables	Allowance for Doubtful Accounts	Receivables, Net
Student tuition and fees	$911,800	$218,465	$693,335
State and private grants and contracts	629,049		629,049
Other	5,395		5,395
Total	$1,546,244	$218,465	$1,327,779
Due from Federal Government	$554,389		$554,389

There is no noncurrent portion of receivables.

5. CAPITAL ASSETS

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

	Balance June 30, 2022	Prior Period Adjustments	Adjusted Balance June 30, 2022	Additions	Transfers	Retirements	Balance June 30, 2023
Capital assets not being depreciated:							
Land	$3,657,854		$3,657,854		($221,021)		$3,436,833
Total capital assets not being depreciated	3,657,854		3,657,854		(221,021)		3,436,833
Other capital assets:							
Buildings	12,072,535		12,072,535		(6,667,211)		5,405,324
Accumulated depreciation	(10,571,619)		(10,571,619)	($46,346)	5,714,909		(4,903,056)
Total buildings	1,500,916		1,500,916	(46,346)	(952,302)		502,268
Equipment	7,926,227	$70,936	7,997,163	763,999	(2,143,852)	($28,366)	6,588,944
Accumulated depreciation	(5,636,617)	(19,282)	(5,655,899)	(550,686)	1,739,228	28,366	(4,438,991)
Total equipment	2,289,610	51,654	2,341,264	213,313	(404,624)	-	2,149,953
Total other capital assets, net	3,790,526	51,654	3,842,180	166,967	(1,356,926)	-	2,652,221
Capital assets, net	$7,448,380	$51,654	$7,500,034	$166,967	($1,577,947)	-	$6,089,054

The June 30, 2022, balance of capital assets has been adjusted by $51,654 to reflect prior-period adjustments. The restatement resulted from the correction of prior-year errors.

6. PENSION PLANS

General Information about the Pension Plans

Plan Descriptions

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

TRSL also administers an optional retirement plan (ORP), which was created by Louisiana Revised Statute (R.S.) 11:921-931 for academic and administrative employees of public institutions of higher education and is considered a defined contribution plan (see note 7 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 College'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 ten 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 ten 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 ten 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 ten 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 College 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 2023 totaled $186,191, with regular plan active member contributions ranging from 7.5% to 8%, and employer contributions of 40.4% of covered payroll. Employer defined-benefit plan contributions to TRSL for fiscal year 2023 totaled $1,464,283, with regular plan active member contributions of 8% and employer contributions of 20.8% for ORP members, and 24.1% to 24.8% for defined-benefit plan members. The proportionate share of non-employer contributing entity contributions to TRSL, which are comprised of ad valorem tax revenue and state revenue sharing funds, totaled $57,686 for fiscal year 2023, and were recognized as revenue in fiscal year 2023 by the College.

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

At June 30, 2023, the College reported liabilities of $1,840,419 and $12,175,451 under LASERS and TRSL, respectively, for its proportionate share of the collective Net Pension Liability (NPL). The NPL for LASERS and TRSL was measured as of June 30, 2022, and the total pension liabilities used to calculate the NPL were determined by actuarial valuations as of that date. The College's proportions of the

NPL were based on projections of the College's long-term share of contributions to the pension plans relative to the projected contribution of all participating employers, actuarially determined. The College's projected contribution effort was calculated by multiplying the eligible annual compensation of active members in the Plan as of June 30, 2022, by the fiscal year 2023 employer actuarially required contribution rates. As of June 30, 2022, the most recent measurement date, the College's proportions and the changes in proportions from the prior measurement date were 0.02435%, or a decrease of 0.00598%, for LASERS, and 0.12753%, or a decrease of 0.00307%, for TRSL.

For the year ended June 30, 2023, the College recognized a total pension expense of $1,703,728 for defined benefit plans, or $87,507 and $1,616,221 for LASERS and TRSL, respectively. At June 30, 2023, the College 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	$5,019	$188,715	$193,734		$35,113	$35,113
Changes of assumptions	33,461	821,228	854,689			
Net difference between projected and actual earnings on pension plan investments	148,240	690,941	839,181			
Changes in proportion and differences between employer contributions and proportionate share of contributions	17,172	870,996	888,168	$198,953	1,695,224	1,894,177
Employer contributions subsequent to the measurement date	186,191	1,464,283	1,650,474			
Total	$390,083	$4,036,163	$4,426,246	$198,953	$1,730,337	$1,929,290

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

Year	LASERS	TRSL	Total
2024	($89,829)	$284,777	$194,948
2025	$30,630	$81,764	$112,394
2026	($37,485)	($700,596)	($738,081)
2027	$101,623	$1,175,598	$1,277,221

Actuarial Assumptions and Methodologies

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

	LASERS	**TRSL**
Valuation Date	June 30, 2022	June 30, 2022
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Approach	Closed	Closed
Expected Remaining Service Lives	2 years	5 years
Investment Rate of Return (discount rate)	7.25% per annum, net of investment expenses *	7.25% per annum, net of investment expenses *
Inflation Rate	2.3% per annum	2.3% per annum
Mortality Rates	General active members: RP-2014 Blue Collar Employee tables, adjusted by 0.978 for males and 1.144 for females General retiree/inactive members (males): RP-2014 Blue Collar Healthy Annuitant table, adjusted by 1.280 General retiree/inactive members (females): RP-2014 White Collar Healthy Annuitant table, adjusted by 1.417 Mortality assumptions for non-disabled members include improvement projected on a fully generational basis using the MP-2018 Mortality Improvement Scale. 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	Active members: 'RP-2014 White Collar Employee tables, adjusted by 1.010 for males and by 0.997 for females Non-disabled retiree/inactive members: RP-2014 White Collar Healthy Annuitant tables, adjusted by 1.366 for males and by 1.189 for females Disabled retiree members: RP-2014 Disability tables, adjusted by 1.111 for males and by 1.134 for females Mortality base tables were adjusted from 2014 to 2018 using the MP-2017 generational improvement table, with continued future mortality improvement projected using the MP-2017 generational mortality improvement tables.
Termination, Disability, Retirement	Termination, disability, and retirement assumptions were projected based on a five year (2014-2018) experience study of the plan's members.	Termination, disability, and retirement assumptions were projected based on a five year (July 1, 2012 - June 30, 2017) experience study of the plan's members.
Projected Salary Increases	Salary increases were projected based on a 2014-2018 experience study of the plan's members. The projected salary increase for regular plan members ranges from 3.0% to 12.8% depending on duration of service.	Salary increases were projected based on a July 1, 2012 to June 30, 2017 experience study of the System's members. The projected salary increase for regular plan members ranges from 3.1% to 4.6% depending on duration of service.
Cost of Living Adjustments	Not substantively automatic	Not substantively automatic

* The investment rate of return used in the actuarial valuation for funding purposes was 7.60%, recognizing an additional 35 basis points for gain sharing.

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

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

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

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

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

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 College's proportionate share of the NPL for LASERS and TRSL using the current discount rate, as well as what the College'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:

	1.0% Decrease (6.25%) LASERS (6.25%) TRSL	Current Discount Rate (7.25%) LASERS (7.25%) TRSL	1.0% Increase (8.25%) LASERS (8.25%) TRSL
LASERS	$2,315,784	$1,840,419	$1,406,955
TRSL	$16,721,076	$12,175,451	$8,047,906

Pension plan fiduciary net position

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

Payables to the Pension Plan

At June 30, 2023, the College had $24,499 and $161,078 in payables to LASERS and TRSL, respectively, for the June 2023 employee and employer legally-required contributions.

7. 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 ORP rather than 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 6. Effective July 1, 2018, the portion of the employer contribution to be transferred to the ORP participants' accounts (transfer amount) for employers at higher education institutions is established by board resolution at an amount equal to or greater than 6.2%. The transfer amount for employers at non-higher education institutions is the greater of: (1) the employer normal cost contribution for the TRSL Regular Plan; or (2) 6.2%. The amount must be set as a percentage of pay.

Employer ORP contributions to TRSL for fiscal year 2023 totaled $22,784, which represents pension expense for the College. Employee contributions totaled $6,758. The fiscal year 2023 employee and employer contribution rates were 8% and 6.2%, respectively, with an additional employer contribution of 20.8% (shared UAL) made to the TRSL defined benefit plan described in note 6 above.

8. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description and Benefits Provided

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

Premium amounts vary depending on the health plan selected and if the retired member has Medicare coverage. OGB offers several different plan options for both active and retired employees. OGB offers retirees four self-insured healthcare plans and one fully insured plan through Vantage Medical Home HMO. In addition, retired employees who have Medicare Part A and Part B coverage also have access to six fully-insured Medicare Advantage plans through People's Health, Humana, Vantage, and Blue Cross, and an Individual Medicare Market Exchange product through Via Benefits that provides monthly health reimbursement arrangement credits. Effective January 1, 2024, the Vantage HMO and Vantage Medicare Advantage plans will no longer be available.

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

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

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

Employer contributions for health premiums of retired employees for the fiscal year ended June 30, 2023, totaled $529,701.

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/doa/osrap.

Funding Policy

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

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

At June 30, 2023, the College reported a liability of $10,383,800 for its proportionate share of the total collective OPEB liability, of which $529,701 is current and the remaining $9,854,099 is noncurrent. The total collective OPEB liability was measured as of July 1, 2022, and was determined by an actuarial valuation as of that date.

The College’s proportionate share percentage is based on the employer’s individual OPEB actuarial accrued liability (AAL) in relation to the total OPEB AAL liability for all participating entities included in the state of Louisiana reporting entity. At July 1, 2022, the most recent measurement date, the College’s current year proportion and the change in proportion from the prior measurement date was 0.1539%, or a decrease of 0.0475%.

For the year ended June 30, 2023, the College recognized total OPEB expense of $(1,977,303) and reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$315,876	
Changes of assumptions or other inputs	712,168	$3,412,198
Changes in employer's proportionate share		5,326,640
Difference between change in employer's proportionate share of benefit payments and actual benefit payments	724,126	
Employer's benefit payments made subsequent to the measurement date	529,701	
Total	$2,281,871	$8,738,838

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

Year Ended June 30:	Net Amount Recognized in OPEB Expense
2024	($2,204,710)
2025	($2,058,636)
2026	($1,877,717)
2027	($845,607)

Actuarial Assumptions

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

Valuation Date	July 1, 2022
Actuarial Cost Method	Entry Age Normal, level percentage of pay. Service costs are attributed through all assumed ages of exit from active service. For current DROP participants, assumed exit from active service is the date at which DROP ends.
Inflation Rate	2.40%
Salary Increase Rate	Consistent with the assumptions for the pension plans disclosed in note 6.
Discount Rate	4.09% based on the June 30, 2022 S&P 20-year municipal bond index rate
Healthcare cost trend rates	7.00% for pre-Medicare eligible employees grading down by .25% each year, beginning in 2023-2024, to an ultimate rate of 4.5% in 2033 and thereafter; 5.50% for post-Medicare eligible employees grading down by .10% each year, beginning in 2023-2024, to an ultimate rate of 4.5% in 2033 and thereafter. The initial trend was developed using the actuary's National Health Care Trend Survey; the ultimate trend was developed using a building block approach which considers Consumer Price Index, Gross Domestic Product, and technology growth.
Heath Care Claim Cost	Per capita costs for the self-insured plans were based on medical and prescription drug claims for retired participants for the period January 1, 2021, through December 31, 2022. The claims experience was trended to the valuation date. Per capita costs for the fully insured HMO and Medicare Advantage plans were based on calendar year 2023 premiums adjusted to the valuation date using the trend assumptions above. Per capita costs were adjusted for expected age-related differences in morbidity applicable to retirees, except for costs for the Via Benefits HRA plan, which provides a flat monthly subsidy.

Age Related Morbidity	Per capita costs (PCCs) were adjusted to reflect expected cost differences due to age and gender.
Mortality rates	Assumptions are consistent with the pension plans disclosed in note 6.

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

The actuarial assumptions related to mortality, retirement, termination, disability, and salary increases are based on experience studies used in the pension valuations disclosed in note 6. The actuarial assumption for plan election coverage is based on a review of experience for the period July 1, 2019, through June 30, 2022. Other actuarial assumptions are based on an experience study of OPEB plan experience for the period July 1, 2017, through June 30, 2020.

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

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

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

The following chart presents the College's proportionate share of the total collective OPEB liability using the current discount rate, as well as what the College'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:

	1.0% Decrease	Current Discount Rate	1.0% Increase
	3.09%	4.09%	5.09%
Proportionate Share of Total Collective OPEB Liability	$11,907,138	$10,383,800	$9,152,527

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

The following chart presents the College's proportionate share of the total collective OPEB liability using the current healthcare cost trend rates, as well as what the College'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:

	1.0% Decrease	Current Healthcare Cost Trend Rates	1.0% Increase
Pre-65 Rates	(6.00% decreasing to 3.5%)	(7.00% decreasing to 4.5%)	(8.00% decreasing to 5.5%)
Post-65 Rates	(4.50% decreasing to 3.5%)	(5.50% decreasing to 4.5%)	(6.50% decreasing to 5.5%)
Proportionate Share of Total Collective OPEB Liability	$9,159,630	$10,383,800	$11,921,368

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.

Years of Service	Participation Percentage
<10	33%
10 - 14	60%
15 - 19	80%
20+	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 College's Proportionate Share of the Total Collective OPEB Liability is presented as required supplementary information following the Notes to the Financial Statements.

9. ACCOUNTS PAYABLE AND ACCRUALS

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

Accrued salaries and related benefits	$370,509
Travel and training	13,146
Operating services	75,326
Supplies	9,503
Grants and public assistance	9,658
Other charges	8,595
Total	$486,737

10. UNEARNED REVENUES

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

Prepaid tuition and fees	$327,257
Total	$327,257

11. COMPENSATED ABSENCES

At June 30, 2023, employees of the College have accumulated and vested annual, sick, and compensatory leave of $333,056; $272,038; and $0, respectively. These balances were computed in accordance with GASB Codification Section C60. The leave payable is recorded in the accompanying financial statements.

12. LONG-TERM LIABILITIES

The following is a summary of long-term liabilities of the College for the year ended June 30, 2023:

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Portion Due Within One Year
Compensated absences payable (note 11)	$749,879	$113,540	($258,325)	$605,094	$74,466
Total**	$749,879	$113,540	($258,325)	$605,094	$74,466

**Information about changes in the net pension liability and the total OPEB liability are contained in notes 6 and 8, respectively.

13. RESTRICTED NET POSITION

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

Nonexpendable:	
Phoebe Jackson Trust	$290,736
Endowed Professorships/Scholarships	290,000
Total nonexpendable	$580,736
Expendable:	
Student technology fee	$31,367
Building use fee	267,756
Vehicle registration fee	297,577
Academic excellence fee	337,063
Higher Education Initiatives Fund	765
Capital Improvements	32,259
Restricted Grants and Contracts	2,294,974
Restricted Endowments	10,986
Student Government Association fees	182,797
BOR - SACS Accreditation	1,378,380
Total expendable	$4,833,924

Of the total net position reported in the Statement of Net Position for the year ended June 30, 2023, $966,787 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).

14. RESTATEMENT OF BEGINNING NET POSITION

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

Net position at June 30, 2022	($17,387,207)
Adjustment for prior-year errors:	
Current Assets - Cash	130,039
Current Assets - Receivables - Tuition and Fees (Gross)	(2,100)
Current Assets - Receivables - Other (Gross)	(97,614)
Current Assets - Due from Federal Government	(468,882)
Noncurrent Assets - Equipment (including library books)	70,936
Noncurrent Assets - Machinery & Equipment (Accumulated Depreciation)	(19,282)
Current Liabilities - Accounts payable and accrued liabilities	(104,798)
Current Liabilities - Salaries, Wages & Related Benefits	792
Current Liabilities - Unearned revenues	60,223
Current Liabilities - Other liabilities	(64,132)
Current Liabilities - Amounts held in custody for others	64,132
Net position at June 30, 2022, as restated	($17,817,893)

The restatements decreased the College's beginning net position by $430,686. The restatement was due to the correction of errors. Had the error corrections affecting fiscal year 2022 been included in the June 30, 2022, Statement of Revenues, Expenses, and Changes in Net Position, the previously reported change in net position of $5,717,176 would have been $5,687,505.

15. CONTINGENT LIABILITIES AND RISK MANAGEMENT

Losses arising from judgments, claims, and similar contingencies are paid through the state's self-insurance fund operated by the Office of Risk Management (ORM), the agency responsible for the state's risk management program, or by appropriation from the state's General Fund. The College is not involved in any lawsuits at June 30, 2023, that are handled by contract attorneys. All lawsuits are handled by either the ORM or the Attorney General's office.

16. DEFERRED COMPENSATION PLAN

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

17. DONOR RESTRICTED ENDOWMENTS

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

At June 30, 2023, net appreciation of $10,986 is available to be spent, of which $10,986 is restricted to specific purposes (net appreciation increased $1,756 during the fiscal year). The authorization for spending investment income is established in the Phoebe Jackson Trust policies which limits spending to the income earned in a given year for purposes specified by donors.

The donated portion of the trust is reported in "restricted net position - nonexpendable" in the Statement of Net Position; the trust income is reported in "restricted net position - expendable."

18. SUBSEQUENT EVENTS

No events of a material nature have occurred subsequent to June 30, 2023, that would require adjustment to, or disclosure in, the accompanying financial statements.

19. GOVERNMENT COMBINATIONS & DISPOSALS OF GOVERNMENT OPERATIONS

On July 1, 2022, the College transferred the operations of the Natchitoches and the Sabine Valley Campuses to Bossier Parish Community College (BPCC) and the operations of the Lamar Salter Campus to SOWELA Technical Community College (SOWELA). The transfers are pursuant to the Louisiana Community and Technical College System Board of Supervisors' decision to realign the campuses beginning July 1, 2022. The College transferred Current and Capital Assets totaling ($131,471) and ($1,577,947) to BPCC and SOWELA on July 1, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

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

Schedule 1 presents the College's Net Pension Liability.

Schedule of the College's Contributions

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

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

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

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

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

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

Fiscal Year*	College's proportion of the net pension liability (asset)	College's proportionate share of the net pension liability (asset)	College's covered payroll	College'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	0.03183%	$1,990,179	$669,356	297%	65.0%
2016	0.03123%	$2,124,124	$516,702	411%	62.7%
2017	0.03137%	$2,463,299	$444,201	555%	57.7%
2018	0.02585%	$1,819,186	$445,065	409%	62.5%
2019	0.03311%	$2,258,078	$601,065	376%	64.3%
2020	0.02872%	$2,080,812	$565,271	368%	62.9%
2021	0.02955%	$2,443,734	$580,258	421%	58.0%
2022	0.03033%	$1,669,411	$662,699	252%	72.8%
2023	0.02435%	$1,840,419	$621,492	296%	63.7%
Teachers' Retirement System of Louisiana					
2015	0.11189%	$11,436,865	$4,920,429	232%	63.7%
2016	0.11101%	$11,936,103	$4,925,135	242%	62.5%
2017	0.09492%	$11,140,513	$4,437,860	251%	59.9%
2018	0.11982%	$12,283,594	$4,988,125	246%	65.6%
2019	0.13514%	$13,281,684	$6,437,513	206%	68.2%
2020	0.13806%	$13,701,475	$6,407,169	214%	68.6%
2021	0.15594%	$17,345,540	$7,368,354	235%	65.6%
2022	0.13060%	$6,972,382	$6,534,542	107%	83.9%
2023	0.12753%	$12,175,451	$7,002,204	174%	72.4%

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

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

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

Fiscal Year*	(a) Statutorily-Required Contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution Deficiency (Excess)	College's covered payroll	Contributions as a percentage of covered payroll
Louisiana State Employees' Retirement System					
2015	$203,595	$203,595		$516,702	39.4%
2016	$166,020	$166,020		$444,201	37.4%
2017	$160,871	$160,871		$445,065	36.1%
2018	$228,106	$228,106		$601,065	38.0%
2019	$214,971	$214,971		$565,271	38.0%
2020	$234,018	$234,018		$580,258	40.3%
2021	$254,043	$254,043		$662,699	38.3%
2022	$242,693	$242,693		$621,492	39.1%
2023	$186,191	$186,191		$468,874	39.7%
Teachers' Retirement System of Louisiana					
2015	$1,289,025	$1,289,025		$4,925,135	26.2%
2016	$1,140,840	$1,140,840		$4,437,860	25.7%
2017	$1,257,083	$1,257,083		$4,988,125	25.2%
2018	$1,708,873	$1,708,873		$6,437,513	26.5%
2019	$1,707,237	$1,707,237		$6,407,169	26.6%
2020	$1,928,716	$1,928,716		$7,368,354	26.2%
2021	$1,621,921	$1,621,921		$6,534,542	24.8%
2022	$1,724,805	$1,724,805		$7,002,204	24.6%
2023	$1,464,283	$1,464,283		$6,057,654	24.2%

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

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

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.
2017 (2) A 1.5% COLA, effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session.
2023 (3) Act 656 of the 2022 Louisiana Regular Legislative Session provided a one-time supplemental payment to eligible retirees and beneficiariers equal to the lessor 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 5 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.
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.
2018-2021 (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.

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 to Size or Composition of the Population:

2018 The Sabine Valley Campus and the Natchitoches campus realigned with Central Louisiana Technical Community College from Northwest Technical Community College on July 1, 2017.

2019 The Oakdale Campus realigned with SOWELA Technical Community College on July 1, 2018.

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.

2023 The Lamar Salter Campus realigned with SOWELA Technical Community College; the Natchitoches Campus and the Sabine Valley Campus realigned with Bossier Parish Community College on July 1, 2022.

Schedule of the College's Proportionate Share of the Total Collective OPEB Liability **Schedule 3**
Fiscal Year Ended June 30, 2023

Fiscal Year*	College's proportion of the total collective OPEB liability	College's proportionate share of the total collective OPEB liability	College's covered-employee payroll	College's proportionate share of the total collective OPEB liability as a percentage of the covered- employee payroll
2017	0.2793%	$25,344,970	$3,261,342	777%
2018	0.2793%	$24,277,328	$4,304,170	564%
2019	0.2503%	$21,365,712	$5,415,725	395%
2020	0.2486%	$19,200,631	$5,392,179	356%
2021	0.2384%	$19,749,317	$5,856,539	337%
2022	0.2014%	$18,437,036	$5,237,682	352%
2023	0.1539%	$10,383,800	$5,732,816	181%

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

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

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

Changes of Assumptions include:
The July 1, 2017 valuation reflects an increase in the discount rate from 2.71% as of July 1, 2016 to 3.13% as of July 1, 2017.
The July 1, 2018 valuation reflects the following changes of assumptions and other inputs:
(1) decreased the discount rate from 3.13% to 2.98%,
(2) the baseline per capita costs were adjusted to reflect 2018 claims and enrollment, retiree contributions were updated based on 2019 premiums, and the impact of the High Cost Excise Tax was revisited, reflecting updated plan premiums, and
(3) the percentage of future retirees assumed to elect medical coverage was adjusted based on recent plan experience.
The July 1, 2019 valuation reflects the following changes of assumptions and other inputs:
(1) decreased the discount rate from 2.98% to 2.79%.
(2) the baseline per capita costs were adjusted to reflect 2019 claims and enrollment, retiree contributions were updated based on 2020 premiums, and life insurance contributions were updated to reflect 2020 premium schedules.
(3) the impact of the High Cost Excise Tax was removed because the tax was repealed in December 2019.
(4) the demographic assumptions for the LASERS plan were revised to reflect the recent experience study reflected in the June 30, 2019, pension valuation
The July 1, 2020 valuation reflects the following changes of assumptions and other inputs:
(1) the discount rate decreased from 2.79% to 2.66%.
(2) the baseline per capita costs were updated to reflect 2020 claims and enrollment for prescription drug costs and retiree contributions were updated based on 2021 premiums. The 2020 medical claims and enrollment experience was not included in the projection of expected 2021 plan costs due to the COVID-19 pandemic which resulted in 2020 medical claims experience which is not reflective of what is expected in future years.
(3) the salary increase rate assumption for LASERS and TRSL pension plan members was updated consistent with the June 30, 2020, LASERS and TRSL pension valuations.
(4) Based on a review of OPEB experience from July 1, 2017, through June 30, 2020, the percentage of future retirees assumed to be Medicare-eligible upon reaching age 65 was decreased from 100% to 99% and the percentage of current retirees under age 65 at June 30, 2017, assumed to be eligible was changed from 95% to rates ranging from 90% to 99% based on the date the retiree turns 65. Other assumptions were also updated based on the experience study, including the medical and life participation rates in the table above, the age difference between future retirees and their spouses, and medical plan election percentages.
The July 1, 2021 valuation reflects the following changes of assumptions and other inputs:
(1) the discount rate decreased from 2.66% to 2.18%.
(2) baseline per capita costs (PCCs) were updated 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.

Changes to Size or Composition of the Population:

The Sabine Valley Campus and the Natchitoches campus realigned with Central Louisiana Technical Community College from Northwest Technical Community College on July 1, 2017

The Oakdale Campus realigned with SOWELA Technical Community College on July 1, 2018.

The Lamar Salter Campus realigned with SOWELA Technical Community College; Natchitoches Campus and Sabine Valley Campus realigned with Bossier Parish Community College on July 1, 2022.

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.

LOUISIANA LEGISLATIVE AUDITOR

MICHAEL J. "MIKE" WAGUESPACK, CPA
LOUISIANA LEGISLATIVE AUDITOR

February 21, 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

CENTRAL LOUISIANA TECHNICAL COMMUNITY COLLEGE
LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA
Alexandria, 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 Central Louisiana Technical Community College (College), a college within the Louisiana Community and Technical College System (System), a component unit of the state of Louisiana, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated February 21, 2024. Our report was modified to include an emphasis of matter section regarding financial statement comparability.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College'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 College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

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

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

Weakness in Processes Over Financial Reporting

The College did not have adequate controls in place over the preparation of certain areas of its financial statements, resulting in an overstatement of $627,951 for scholarships and fellowships expenses, an understatement of the same amount for receivables, and classification errors in the related note disclosure.

The reporting errors for scholarships and fellowships expenses and receivables occurred because of an undetected error in setting up billing detail codes in the college's accounting system, Banner. Additionally, while the College did develop and implement a reconciliation between Banner Finance student receivables and Banner Student accounts receivable subsidiary records, it did not ensure that classifications from the reconciliation matched the receivables note disclosure which resulted in the receivables note disclosure not matching the Banner Student accounts receivable subsidiary records. This is the second consecutive year we have reported weaknesses over financial reporting related to student receivables.

College management is responsible for the design, implementation, and effectiveness of internal controls relevant to the preparation and fair presentation of financial statements. Failure to establish adequate controls over financial processes increases the risk material misstatements may occur and remain undetected.

Management should ensure adequate controls are in place over financial processes and reporting. Management concurred with the finding and provided a corrective action plan (see Appendix A).

Report on Compliance and Other Matters

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

Management's Response to the Findings

Government Auditing Standards requires the auditor to perform limited procedures on the College's response to the finding identified in our audit and described previously. The College's response, attached in Appendix A, was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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

WW:AHC:JPT:BQD:aa

CLTCC 2023

APPENDIX A: MANAGEMENT'S RESPONSE

CENTRAL LOUISIANA TECHNICAL COMMUNITY COLLEGE

Where Your Future Is Waiting

February 20, 2024

Michael J. "Mike" Waguespack, CPA
Louisiana Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Mr. Waguespack,

Below is the response by Central Louisiana Technical Community College to the audit finding for fiscal year 2022-2023.

Finding: Weakness in Processes Over Financial Reporting

Central Louisiana Technical Community College concurs with this finding; however, this finding is not a reoccurrence of the FY 21-22 student receivable finding which has been resolved. CLTCC remedied the prior year's audit finding by developing and implementing a reconciliation between Banner Finance student receivables and Banner Student account receivable subsidiary records.

Corrective Action Plan: Amanda Cain, CPA, Vice Chancellor of Finance and Administration, along with the finance department, will receive banner training for detail codes and student accounts receivable reconciliations. In addition, procedures will be implemented to ensure that detail codes are set up correctly and that the Accounts Receivable note disclosure matches the accounts receivable subsidiary records. The anticipated completion date is June 30, 2024.

Sincerely,

James R. Sawtelle III

James R. 'Jimmy' Sawtelle, III, Ed.D.
Chancellor