

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, 2022
Issued December 21, 2022**

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December 14, 2022

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of the Louisiana Community and Technical College System (System), a component unit of the state of Louisiana, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the System as of June 30, 2022, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the South Louisiana Facilities Corporation; the BRCC Facilities Corporation; Campus Facilities, Inc.; Delta Campus Facilities Corporation; or the LCTCS Facilities Corporation, which are nonprofit corporations included as blended component units in the basic financial statements which represent 47.97%, 42.10%, 8.63%, and 6.91%, respectively of total assets, total liabilities, total revenues, and total expenses of the System. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the South Louisiana Facilities Corporation; the BRCC Facilities Corporation; Campus Facilities, Inc.; Delta Campus Facilities Corporation; and the LCTCS Facilities Corporation, is based solely on the reports of the other auditors.



Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 8 through 17, the Schedule of the System's Proportionate Share of the Net Pension Liability on page 77, the Schedule of the System's Contributions on page 77, and the Schedule of the System's Proportionate Share of the Total Collective OPEB Liability on page 79 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit for the year ended June 30, 2022, was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the System's basic financial statements. The accompanying supplementary information Schedule of Per Diem Paid Board Members (Cash Basis) on page 81 and combining financial schedules on pages 82 through 93 for the year ended June 30, 2022, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2022, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information Schedule of Per Diem Paid Board Members (Cash Basis) and combining financial schedules for the fiscal year ended June 30, 2022 is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2022.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the System as of and for the year ended June 30, 2021 (not presented herein), and have issued our report thereon dated December 20, 2021, which contained an unmodified opinion on the respective financial statements of the business-type activities. The combining financial schedules on pages 94 through 105 for the year ended June 30, 2021, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2021 financial statements. The information was subjected to the audit procedures applied in the audit of the 2021 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedules for the fiscal year ended June 30, 2021, are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2021.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2022, on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial

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

Respectfully submitted,



Michael J. "Mike" Waguespack, CPA
Legislative Auditor

KDN:CLL:BQD:EFS:aa

LCTCS 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis of the Louisiana Community and Technical College System's (System) financial performance presents a narrative overview and analysis of the System's financial activities for the year ended June 30, 2022. This document focuses on the current-year's activities, resulting changes, and currently-known facts in comparison with the prior-year's information. Please read this document in conjunction with the System's financial statements. The System is comprised of the following entities:

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

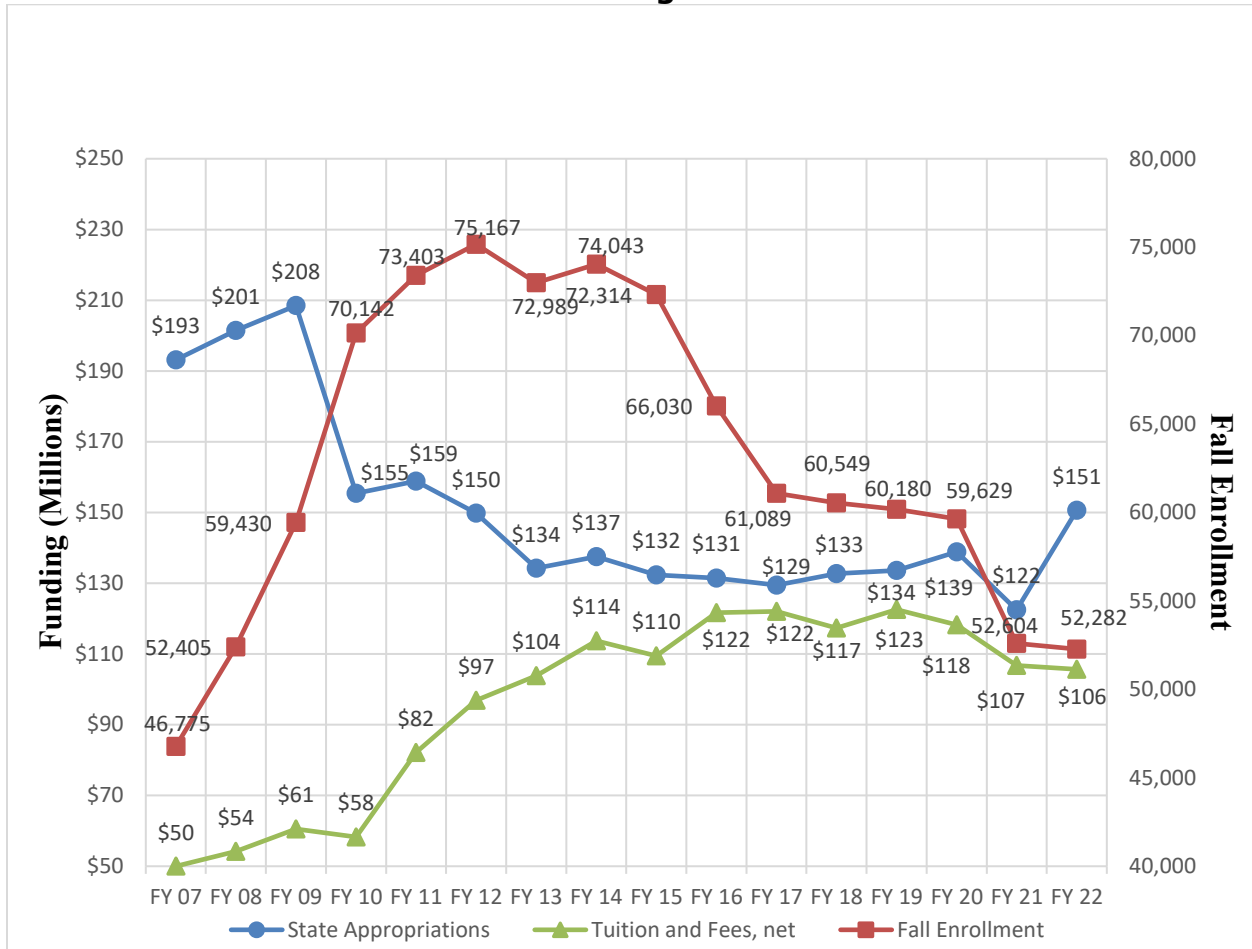
FINANCIAL HIGHLIGHTS

The System's net position overall increased from negative \$65.2 million (restated) to positive \$33.5 million from July 1, 2021, to June 30, 2022. The overall reasons for this change included:

- A \$23.0 million net increase in current cash and cash equivalents primarily due to the COVID-19 federal funding.
- A \$18.2 million increase in net position for the LCTCS Facilities Corporations due primarily to:
 - A \$7.6 million decrease in noncurrent assets due to reduction of \$15.7 million of investments used to fund current year construction costs offset by a \$5.0 million increase in capital gifts accounts receivable.
 - A \$8.0 million increase in capital assets due to \$23.7 million in capital assets additions offset by \$15.7 million in current year depreciation expense.
 - A \$5.4 million increase in current liabilities mainly from the increase in the current portion of bonds payable of \$3.3 million and a \$2.5 million increase in accounts payable.
 - A \$22.8 million decrease in long-term liabilities mainly due to a decrease in bonds payable.
- A net increase of \$11.6 million for the other colleges due to \$29.4 million in capital assets additions primarily due to repairs to buildings damaged from Hurricane Laura and the construction in progress of the Process Equipment Training Plant offset by \$17.8 million in current year depreciation expense.
- A \$241.0 million decrease in net pension liability.
- A \$25.2 million increase in Other Postemployment Benefits (OPEB) Liability.
- A \$52.4 million decrease in deferred outflows related to pensions and OPEB.
- A \$116.6 million increase in deferred inflows related to pensions and OPEB.

The chart on the following page shows the change in the System's level of state funding in relation to the net tuition and fees and student enrollment for fiscal year (FY) 2007 through FY 2022.

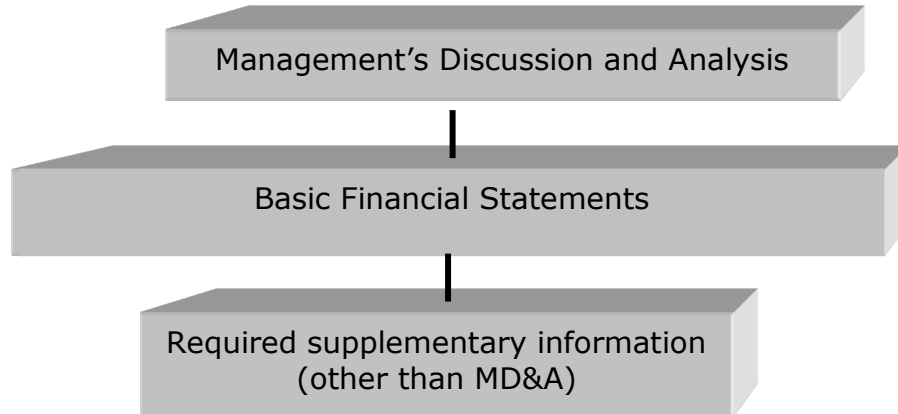
Comparison of LCTCS Funding and Fall Student Enrollment FY07 through FY22



Source: LCTCS Fiscal Year 2022 Annual Financial Report, as adjusted

OVERVIEW OF THE FINANCIAL STATEMENTS

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



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

Basic Financial Statements

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

The Statement of Net Position (pages 18-19) presents assets, deferred outflows of resources, liabilities, and deferred inflows of resources separately. The difference between assets plus deferred outflows and liabilities plus deferred inflows is net position and may provide a useful indicator of whether the financial position of the System is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Position (pages 20-21) presents information showing how the System's net position changed as a result of current-year operations. Regardless of when cash is affected, all changes in net position are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flows (pages 22-23) presents information showing how the System's cash changed as a result of current-year operations. The Statement of Cash Flows is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB Statement No. 34.

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

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

FINANCIAL ANALYSIS

Table A-1
Louisiana Community and Technical College System
Comparative Statement of Net Position
(in thousands of dollars)
For the Fiscal Years Ended June 30, 2022, and 2021

	2022	2021 (restated)	Variance	Percentage Change
Assets:				
Current and other assets	\$412,394	\$398,240	\$14,154	3.6%
Capital and leased assets	716,295	696,749	19,546	2.8%
Total assets	<u>1,128,689</u>	<u>1,094,989</u>	<u>33,700</u>	3.1%
Total deferred outflow of resources	146,418	198,794	(52,376)	(26.3%)
Total assets and deferred outflow of resources	<u>\$1,275,107</u>	<u>\$1,293,783</u>	<u>(\$18,676)</u>	(1.4%)
Liabilities:				
Current liabilities	\$96,430	\$92,004	\$4,426	4.8%
Long-term liabilities	955,885	1,194,541	(238,656)	(20.0%)
Total liabilities	<u>1,052,315</u>	<u>1,286,545</u>	<u>(234,230)</u>	(18.2%)
Total deferred inflow of resources	189,335	72,435	116,900	161.4%
Total liabilities and deferred inflow of resources	<u>\$1,241,650</u>	<u>\$1,358,980</u>	<u>(\$117,330)</u>	(8.6%)
Net Position:				
Net investment in capital assets	\$287,813	\$245,606	\$42,207	17.2%
Restricted	230,839	238,922	(8,083)	(3.4%)
Unrestricted	(485,195)	(549,725)	64,530	11.7%
Total net position	<u>\$33,457</u>	<u>(\$65,197)</u>	<u>\$98,654</u>	151.3%

* Amounts for 2021 were not restated for GASB Statement No. 87 regarding Leases. The restatement of the prior year was immaterial.

This schedule is prepared from the System's Statement of Net Position as shown on pages 18-19, which is presented on an accrual basis of accounting.

The System's net position overall increased from a negative \$65.2 million (restated) to positive \$33.5 million, or 151.3%, from July 1, 2021, to June 30, 2022.

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

Table A-2
Louisiana Community and Technical College System
Comparative Statement of Revenues,
Expenses, and Changes in Net Position
(in thousands of dollars)
For the Fiscal Years Ended June 30, 2022, and 2021

	2022	2021 (restated)	Variance	Percentage Change
Operating revenues:				
Student tuition and fees, net	\$105,662	\$106,609	(\$947)	(0.9%)
Grants and contracts	67,147	62,184	4,963	8.0%
Sales and services of education departments	131	82	49	59.8%
Auxiliary	894	1,133	(239)	(21.1%)
Other	625	598	27	4.5%
Net gain on impairment of capital assets	0	4,527	(4,527)	(100.0%)
Total operating revenues	<u>174,459</u>	<u>175,133</u>	<u>(674)</u>	(0.4%)
Nonoperating revenues:				
State appropriations	150,593	122,468	28,125	23.0%
Gifts	2,232	2,244	(12)	(0.5%)
Investment income	0	4,294	(4,294)	(100.0%)
Federal nonoperating revenues	265,660	222,074	43,586	19.6%
Other nonoperating revenues	5,556	3,779	1,777	47.0%
Total nonoperating revenues	<u>424,041</u>	<u>354,859</u>	<u>69,182</u>	19.5%
Total revenues	<u>598,500</u>	<u>529,992</u>	<u>68,508</u>	12.9%
Operating expenses:				
Educational and general:				
Instruction	149,506	164,216	(14,710)	(9.0%)
Public service	1,195	3,175	(1,980)	(62.4%)
Academic support	62,735	55,961	6,774	12.1%
Student services	33,270	37,004	(3,734)	(10.1%)
Institutional support	92,677	100,234	(7,557)	(7.5%)
Operations and maintenance of plant	52,284	44,235	8,049	18.2%
Depreciation and amortization	33,680	33,059	621	1.9%
Scholarships and fellowships	124,688	84,565	40,123	47.4%
Auxiliary enterprises	896	1,092	(196)	(17.9%)
Other operating expenses	0	62	(62)	(100.0%)
Total operating expenses	<u>550,931</u>	<u>523,603</u>	<u>27,328</u>	5.2%
Nonoperating expenses:				
Interest expense	12,632	13,728	(1,096)	(8.0%)
Investment loss	950	0	950	100.0%
Total nonoperating expenses	<u>13,582</u>	<u>13,728</u>	<u>(146)</u>	(1.1%)
Total expenses	<u>564,513</u>	<u>537,331</u>	<u>27,182</u>	5.1%
Income/(Loss) before other revenues	<u>33,987</u>	<u>(7,339)</u>	<u>41,326</u>	563.1%
Capital appropriations	46,797	40,656	6,141	15.1%
Capital grants and gifts	16,527	791	15,736	1,989.4%
Additions to permanent endowment	1,343	756	587	77.6%
Other revenues	<u>64,667</u>	<u>42,203</u>	<u>22,464</u>	53.2%
Change in net position	<u>98,654</u>	<u>34,864</u>	<u>63,790</u>	183.0%
Net position at beginning of year, restated	<u>(65,197)</u>	<u>(100,061)</u>	<u>34,864</u>	34.8%
Net position at end of year	<u>\$33,457</u>	<u>(\$65,197)</u>	<u>\$98,654</u>	151.3%

* Amounts for 2021 were not restated for GASB Statement No. 87 regarding Leases. The restatement of the prior year was immaterial.

CAPITAL ASSET, LEASED ASSETS, AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2022, the System had invested approximately \$715.7 million in capital assets, net of accumulated depreciation. This amount represents a net increase (including additions and disposals, net of depreciation) of approximately \$18.9 million, or 2.7%, from the previous fiscal year, primarily due to:

- A net increase of \$8.0 million due to \$23.7 million in capital assets additions offset by \$15.7 million in current year depreciation expense for the LCTCS Facilities Corporations.
- A net increase of \$11.6 million due to \$29.4 million in capital assets additions primarily due to repairs to buildings damaged from Hurricane Laura and the construction in progress of the Process Equipment Training Plant offset by \$17.8 million in current year depreciation expense for the other colleges.

Leased Assets

As of June 30, 2022, the System has invested approximately \$624,000 in leased assets, net of accumulated amortization.

More detailed information about the System's capital and leased assets is presented in Note 5 to the Financial Statements.

Table A-3
Louisiana Community and Technical College System
Capital Assets, Net of Depreciation and Leased Assets, Net of Amortization
(in thousands of dollars)
As of June 30, 2022, and 2021

	2022	2021 (restated)	Variance	Percentage Change
Land and improvements	\$61,539	\$61,431	\$108	0.2%
Construction-in-progress	33,042	24,784	8,258	33.3%
Buildings	580,167	570,833	9,334	1.6%
Equipment	39,792	36,923	2,869	7.8%
Intangibles (Including Software)	1,130	2,778	(1,648)	(59.3%)
Total Capital Assets	\$715,670	\$696,749	\$18,921	2.7%
Leased Buildings/Office Space	\$377	-	\$377	100.0%
Lease Equipment	248	-	248	100.0%
Total Leased Assets	\$625	\$0	\$625	100.0%

Debt

The System had \$435.1 million in bonds outstanding at year-end, compared to \$454.6 million last year, a decrease of 4.3%. The net decrease is primarily due to the following:

- Current-year principal payments of \$21.9 million.
- Reduction of bond premiums and discounts of \$20.0 million.
- Issuance of \$150.8 million in LCTCS Facilities Corporations Series 2021 Taxable Revenue Refunding Bonds to refund \$128.3 million in LCTCS Facilities Corporations Series 2014 Revenue Bonds.

See Note 13 for details relating to changes in and the composition of long-term liabilities.

ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

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

- Continued low state funding on a per student basis as compared to peers in southern states.
- Rising energy costs which are anticipated to have an annual increase of up to \$4 million on college budgets which is further compounded by other inflationary factors in other areas such as operating supplies and instructional materials.
- At June 30, 2022, two Act 360 projects are receiving construction bids. Given the supply chain issues and other factors, construction costs are approximately 52% higher than when Act 360 project budgets were established, requiring value engineering and smaller than anticipated projects in order to stay within budget.
- The loss of Higher Education Emergency Relief funds at the end of FY 2023 may leave a budget deficit. These funds were used to fund self-generated revenue losses as a result of student enrollment declines from the COVID-19 pandemic. If student enrollment does not rise to pre COVID-19 pandemic levels, this may leave a budget deficit.
- Uncertainty in the state revenue forecast as the half-cent sales tax, previously approved by the legislature, sunsets June 30, 2025, resulting in an estimated annualized decrease of \$662 million in the state general fund.
- Changes in federal grant programs (A significant amount of revenue flows from the federal government through the System. A change in policy at the federal level can have dramatic effects on the operations.)
- Tuition affordability for students given income levels of prospective students and the tuition rate of the System colleges as compared to other southern states.

CONTACTING THE LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM'S MANAGEMENT

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

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

**Statement of Net Position
June 30, 2022**

ASSETS

Current assets:

Cash and cash equivalents (note 2)	\$216,195,459
Receivables, net (note 4)	32,137,368
Leases receivable (note 12)	52,165
Due from State Treasury	100,000
Due from federal government	33,139,476
Inventories	7,222
Prepaid expenses and advances	489,156
Other current assets	14,289
Total current assets	<u>282,135,135</u>

Noncurrent assets:

Restricted assets:

Cash and cash equivalents (note 2)	48,673,965
Investments (note 3)	69,694,995
Receivables, net (note 4)	6,741,659
Other	35,058
Leases receivable (note 12)	279,693
Capital assets, net (note 5)	715,670,202
Leased assets, net (note 5)	624,541
Other noncurrent assets	4,833,882
Total noncurrent assets	<u>846,553,995</u>
Total assets	<u>1,128,689,130</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pensions (note 6)	98,589,344
Deferred outflows related to other postemployment benefits (OPEB) (note 8)	47,828,478
Total deferred outflows of resources	<u>146,417,822</u>

LIABILITIES

Current liabilities:

Accounts payable and accruals (note 9)	42,177,590
Due to federal government	16,865
Unearned revenues (note 10)	11,515,960
Amounts held in custody for others	970,365
Compensated absences payable (notes 11 and 13)	1,624,765
Lease liability (notes 12 and 13)	228,616
Notes payable (note 13)	210,000
OPEB liability (note 8)	9,810,359
Bonds payable, net (note 13)	25,265,000
Other current liabilities	4,610,317
Total current liabilities	<u>96,429,837</u>

(Continued)

The accompanying notes are an integral part of this statement.

**LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA
Statement of Net Position
June 30, 2022**

LIABILITIES (CONT.)

Noncurrent liabilities:

Compensated absences payable (notes 11 and 13)	\$21,415,102
Lease liability (notes 12 and 13)	383,574
Notes payable (note 13)	1,582,500
Net pension liability (note 6)	217,928,033
OPEB liability (note 8)	304,713,372
Bonds payable, net (note 13)	<u>409,862,369</u>
Total noncurrent liabilities	<u>955,884,950</u>
Total liabilities	<u><u>1,052,314,787</u></u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to pensions (note 6)	160,222,481
Deferred inflows related to OPEB (note 8)	28,779,295
Deferred inflows related to leases (note 12)	<u>333,655</u>
Total deferred inflows of resources	<u><u>189,335,431</u></u>

NET POSITION

Net investment in capital assets	287,812,589
Restricted:	
Nonexpendable (note 14)	11,195,252
Expendable (note 14)	219,644,079
Unrestricted	<u>(485,195,186)</u>
Total net position	<u><u>\$33,456,734</u></u>

(Concluded)

The accompanying notes are an integral part of this statement.

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

**Statement of Revenues, Expenses,
and Changes in Net Position
For the Fiscal Year Ended June 30, 2022**

OPERATING REVENUES

Student tuition and fees	\$193,761,617
Less scholarship allowances	<u>(88,099,274)</u>
Net student tuition and fees	105,662,343
Federal grants and contracts	47,513,406
State and local grants and contracts	16,455,274
Nongovernmental grants and contracts	3,178,737
Sales and services of educational departments	130,895
Auxiliary enterprise revenues	893,656
Other operating revenues	<u>624,267</u>
Total operating revenues	<u>174,458,578</u>

OPERATING EXPENSES

Educational and general:	
Instruction	149,506,171
Public service	1,194,857
Academic support	62,735,028
Student services	33,270,458
Institutional support	92,676,696
Operations and maintenance of plant	52,284,279
Depreciation and amortization	33,679,614
Scholarships and fellowships	124,688,000
Auxiliary enterprises	<u>895,696</u>
Total operating expenses	<u>550,930,799</u>

OPERATING LOSS (376,472,221)

(Continued)

The accompanying notes are an integral part of this statement.

Statement B**LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA
Statement of Revenues, Expenses,
and Changes in Net Position
For the Fiscal Year Ended June 30, 2022****NONOPERATING REVENUES (Expenses)**

State appropriations	\$150,593,209
Gifts	2,231,694
Federal nonoperating revenues	120,236,579
COVID-19 federal funding	145,423,664
Net investment loss	(949,954)
Interest expense	(12,631,742)
Other nonoperating revenues, net	5,555,471
Net nonoperating revenues	<u>410,458,921</u>
INCOME BEFORE OTHER REVENUES AND ADDITIONS	33,986,700
Capital appropriations	46,797,151
Capital grants and gifts	16,527,453
Additions to permanent endowments	<u>1,342,650</u>
INCREASE IN NET POSITION	98,653,954
NET POSITION - BEGINNING OF YEAR (restated) (note 15)	<u>(65,197,220)</u>
NET POSITION - END OF YEAR	<u><u>\$33,456,734</u></u>

(Concluded)

The accompanying notes are an integral part of this statement.

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

**Statement of Cash Flows
For the Fiscal Year Ended June 30, 2022**

CASH FLOWS FROM OPERATING ACTIVITIES:

Tuition and fees	\$100,205,281
Grants and contracts	65,896,753
Sales and services of educational departments	130,895
Auxiliary enterprise receipts	637,205
Payments for employee compensation	(211,514,321)
Payments for benefits	(78,981,045)
Payments for utilities	(13,346,478)
Payments for supplies and services	(133,374,357)
Payments for scholarships and fellowships	(124,681,359)
Other payment, net	(1,250,394)
Net cash used by operating activities	<u>(396,277,820)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

State appropriations	151,229,853
Gifts and grants for other than capital purposes	128,436,711
Private gifts for endowment purposes	1,052,650
COVID-19 federal funding receipts	155,173,928
Taylor Opportunity Program for Students (TOPS) receipts	11,175,493
TOPS disbursements	(11,193,446)
Direct lending receipts	127,098,916
Direct lending disbursements	(127,098,916)
Other receipts	2,156,021
Net cash provided by noncapital financing activities	<u>438,031,210</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Proceeds from capital debt	150,770,000
Capital appropriations received	44,957,407
Capital grants and gifts received	7,199,110
Proceeds from sale of capital assets	358,831
Receipts from lessor leases	52,650
Purchases of capital assets	(40,479,128)
Principal paid on capital debt and leases	(22,165,991)
Interest paid on capital debt and leases	(19,115,882)
Deposit with trustees	(149,064,015)
Payments for leased assets	(80,709)
Other uses	(3,058,209)
Net cash used by capital and related financing activities	<u>(30,625,936)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturities of investments	16,359,885
Interest received on investments	1,101,157
Purchase of investments	(1,775,990)
Net cash provided by investing activities	<u>15,685,052</u>

(Continued)

The accompanying notes are an integral part of this statement.

Statement C

**LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2022**

NET INCREASE IN CASH AND CASH EQUIVALENTS	\$26,812,506
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (Restated)	<u>238,056,918</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$264,869,424</u></u>
 RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:	
Operating loss	(\$376,472,221)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation/amortization expense (note 5)	33,679,614
Nonemployer contributing entity revenue	1,325,281
Noncash capital expense	41,160
Noncash insurance recoveries	974,467
Changes in assets, deferred outflows, liabilities, and deferred inflows:	
(Increase) in accounts receivables, net	(6,148,005)
Decrease in due from other funds	631,281
Decrease in inventories	2,608
(Increase) in prepaid expenses and advances	(91,558)
(Increase) in other assets	(11,264)
Decrease in deferred outflows related to pensions	64,907,055
(Increase) in deferred outflows related to OPEB	(12,530,715)
(Decrease) in accounts payable and accrued liabilities	(4,539,692)
Increase in unearned revenue	698,169
Increase in amounts held in custody for others	68,353
Increase in compensated absences	171,026
(Decrease) in net pension liability	(240,985,900)
Increase in OPEB liability	25,362,062
Increase in deferred inflows related to pensions	129,933,122
(Decrease) in deferred inflows related to OPEB	(13,365,870)
Increase in other deferred inflows	<u>73,207</u>
 Net cash used by operating activities	 <u><u>(\$396,277,820)</u></u>
 RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION:	
Cash and cash equivalents classified as current assets	\$216,195,459
Cash and cash equivalents classified as noncurrent assets	<u>48,673,965</u>
 Cash and cash equivalents at end of year	 <u><u>\$264,869,424</u></u>
 NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:	
Noncash capital appropriation, grant, and/or gift of capital assets	\$1,991,088
Noncash grants and gifts	\$4,176,999
Noncash insurance recoveries used for construction in progress	\$4,769,265
Net (Loss) on disposal of capital assets	(\$630,122)
Unrealized (loss) on investments	(\$2,091,110)
Amortization of bond premium	\$5,823,318
Amortization of bond issuance costs	\$439,640
Federal nonoperating receivables	\$3,093,245
COVID-19 federal funding receivables	\$15,825,037
Retainage payable	\$849,929
Other nonoperating accounts and contracts payable	\$251,950
Other current liabilities - interest payable	\$3,760,388
Loss on bond refundings	\$7,460,372

(Concluded)

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

B. REPORTING ENTITY

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

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

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

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

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

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

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

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

C. BASIS OF ACCOUNTING

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

D. CASH AND CASH EQUIVALENTS

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

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

E. INVENTORIES

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

F. NONCURRENT RESTRICTED ASSETS

Restricted cash equivalents consist of assets that are externally restricted to make debt service payments, to maintain sinking or reserve funds, or to purchase or construct capital or other noncurrent assets. These funds are invested in U.S. Treasury money market funds, which are considered to be cash equivalents because of their liquidity. They are maintained in trust accounts created pursuant to trust indentures of the related bonds. These trust accounts, which are administered by a trustee bank, provide for the custody of the assets, debt service payments and bond redemption requirements, and payment of administrative expenses. The bonds were issued in fiscal years 2012, 2013, 2018, and 2020 to finance the costs of development, design, and construction of additions and renovations, or to refund bonds previously issued for the same purposes to SLCC, BPCC, BRCC, and LDCC. Also, bonds were issued in fiscal years 2015, 2018, 2019, 2020, and 2022 to provide funds and oversee the purchase, acquisition, construction, design, development, renovation, and equipping of land and facilities, or to refund bonds previously issued for the same purposes for the benefit of 12 community and technical college campuses and a statewide computer information system for LCTCS.

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

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

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

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

G. CAPITAL AND LEASED ASSETS

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

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

H. UNEARNED REVENUES

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

I. COMPENSATED ABSENCES

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

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

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

J. NONCURRENT LIABILITIES

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

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of LASERS and TRSL, and additions to/deductions from each retirement system's fiduciary net position

have been determined on the same basis as they are reported by the retirement system. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Synthetic guaranteed investment contracts are reported at contract value. All other investments are reported at fair value.

K. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

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

L. NET POSITION

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

- *Net investment in capital assets* consists of the System's total investment in capital and leased assets, net of accumulated depreciation/amortization, and reduced by the outstanding balances of any bonds or other borrowings attributable to the acquisition, construction, or improvement of those assets.
- *Restricted net position - nonexpendable* consists of endowments and similar-type funds for which donors or other outside sources have stipulated that, as a condition of the gift instrument, the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.
- *Restricted net position - expendable* consists of resources that the System is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.
- *Unrestricted net position* consists of resources derived from student tuition and fees, state appropriations, sales and services of educational departments, and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the System and may be used at the discretion of the governing board to meet current expenses and for any purpose.

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

M. CLASSIFICATION OF REVENUES AND EXPENSES

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

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

N. SCHOLARSHIP DISCOUNTS AND ALLOWANCES

Student tuition and fee revenues from students are reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances are the difference between the stated charge for services (tuition and fees) provided by the System and the amount that is paid by students and/or third parties making payments on the students' behalf.

O. ADOPTION OF NEW ACCOUNTING PRINCIPLES

The System implemented Statement No. 87 – *Leases*, issued by the Government Accounting Standards Board. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this statement, a lessee is required to recognize a lease liability and an intangible

right-to-use lease asset, and the lessor is required to recognize a lease receivable and a deferred inflow of resources. The cumulative effect of applying this Statement resulted in the addition of leases receivables and deferred inflows related to leases and leased assets and lease liabilities, with no impact on beginning net position, and the beginning net position is not restated. The effect of implementing this standard changed the classification of debt from lease liability to a notes payable and had no effect on beginning net position. The impact of this change is presented in Notes 13 and 15.

The System implemented Statement No. 89 – *Accounting for Interest Cost Incurred before the End of the Construction Period*, issued by the Government Accounting Standards Board. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The adoption of this standard had no impact on the System’s financial statements or notes to the financial statements.

The System implemented Statement No.92 – *Omnibus 2020*, issued by the Government Accounting Standards Board. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics. The adoption of this standard had no impact on the System’s financial statements or notes to the financial statements.

The System implemented Statement No.93 – *Replacement of Interbank Offered Rates*, issued by the Government Accounting Standards Board. Some Governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) – most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other referenced rates, by either changing the reference rate or adding or changing fallback provision related to the reference rate. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The adoption of this standard had no impact on the System’s financial statements or notes to the financial statements.

The System implemented Statement No.97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, issued by the Government Accounting Standards Board. The adoption of this standard had no impact on the System’s financial statements or notes to the financial statements.

The System implemented Statement No. 98 – *The Annual Comprehensive Financial Report*, issued by the Government Accounting Standards Board. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. The adoption of this standard had no impact on the System’s financial statements or notes to the financial statements.

P. USE OF ESTIMATES

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

2. CASH AND CASH EQUIVALENTS

At June 30, 2022, the System has cash and cash equivalents (book balances) of \$264,869,424 as follows:

Demand deposits	\$133,628,291
Cash equivalents - money market funds	41,770,847
Short-term investment - Louisiana Asset Management Pool	89,055,494
Cash held in foundation	395,517
Petty cash	<u>19,275</u>
Total	<u><u>\$264,869,424</u></u>

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

Current assets	\$216,195,459
Noncurrent assets	<u>48,673,965</u>
Total	<u><u>\$264,869,424</u></u>

Custodial credit risk is the risk that, in the event of a bank failure, the System’s deposits may not be returned to it. The System does not have a formally-adopted policy that addresses custodial credit risk of deposits. Under state law, the System’s deposits (or the resulting bank balances) must be secured by Federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. As of June 30, 2022, \$291,103 of the System’s bank balance of \$135,873,855 was exposed to custodial credit risk, as these balances were uninsured and uncollateralized. As of June 30, 2022, demand deposits totaling \$5,602,007 were reported in the financial statements for the BRCC Facilities Corporation; Campus

Facilities, Inc.; Delta Campus Facilities Corporation; LCTCS Facilities Corporation; and South Louisiana Facilities Corporation, which were prepared in accordance with the pronouncements of FASB ASC Topic 958. Generally accepted accounting principles allow for the inclusion, in the same consolidated report, of financial statements prepared in accordance with FASB with those prepared under the standards of GASB. As such, the Notes to the Financial Statements of the corporations do not reflect the requirements of GASB Statement No. 3, as revised by Statement No. 40.

Louisiana Asset Management Pool, Inc. (LAMP):

At June 30, 2022, the System has short-term investments reported on the Statement of Net Position as cash equivalents totaling \$89,055,494.

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

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

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

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares. LAMP, Inc. is subject to the regulatory oversight of the State Treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

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

3. INVESTMENTS

At June 30, 2022, the System has restricted investments totaling \$69,694,995 as follows:

<u>Type of Investment</u>	<u>Percentage of Investments</u>	<u>Credit Quality Rating</u>	<u>Fair Value</u>
Corporate bonds - DCC	0.251%	BBB+	\$174,805
Corporate bonds - DCC	0.837%	BBB	583,190
Corporate bonds - DCC	0.696%	BBB	485,336
Corporate bonds - DCC	0.535%	BBB	372,907
Corporate bonds - FTCC	0.185%	BBB-	128,668
Corporate bonds - NCC	0.020%	A	14,203
Corporate bonds - NCC	0.147%	BBB	102,292
Equity securities - DCC ¹	0.505%		351,689
Equity securities - NCC ¹	0.006%		4,551
Equity securities - NCC ¹	0.169%		117,626
Investments held by private foundation -			
External investment pools - BRCC	0.621%	AAA	432,824
External investment pools - SLCC ²	1.653%		1,152,075
Open-end mutual funds - NTCC ²	1.098%		764,940
Open-end mutual funds - SLCC	1.466%	AA	1,021,652
External investment pools - LDCC	0.017%	AA	11,899
Open-end mutual funds - BPCC ²	0.215%		150,000
Open-end mutual funds - LDCC ²	0.142%		98,923
Open-end mutual funds - LDCC ²	0.220%		153,279
Open-end mutual funds - RPCC ²	0.059%		41,112
Open-end mutual funds - STCC	0.080%	BBB-	55,922
Open-end mutual funds - BPCC ²	1.837%		1,280,000
Open-end mutual funds - DCC ²	2.524%		1,758,785
Open-end mutual funds - FTCC ²	0.471%		328,607
Open-end mutual funds - LDCC ²	0.650%		452,903
Open-end mutual funds - NCC ²	0.374%		260,464
Open-end mutual funds - RPCC ²	0.151%		105,307
Open-end mutual funds - STCC ²	1.429%		996,283
U.S. agency obligations - DCC	0.427%	AA+	297,728
U.S. agency obligations - FTCC	0.117%	AAA	81,313
U.S. government obligation - DCC ¹	1.116%		777,730
U.S. government obligation - NCC ¹	0.115%		80,454
Non-negotiable certificates of deposit - CLTCC	0.417%		290,536
Facilities Corporations:			
U.S. government and agency obligations - LCTCS Facilities Corporation	77.191%		53,798,369
Municipal Bonds - LCTCS Facilities Corporations	4.259%		2,968,623
	<u>100.00%</u>		<u>\$69,694,995</u>

¹Credit quality ratings not required for these investments.

²Not rated

<u>Type of Investment</u>	Investment Maturities in Years				
	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>Over 10 Years</u>
Corporate bonds - DCC	\$1,616,238	\$174,805	\$583,190	\$485,336	\$372,907
Corporate bonds - FTCC	128,668			128,668	
Corporate bonds - NCC	116,495		102,292	14,203	
Investments held by private foundation -					
External investment pools - BRCC	432,824	432,824			
External investment pools - SLCC	1,152,075		1,152,075		
Open-end mutual funds - SLCC	1,021,652		1,021,652		
External investment pools - LDCC	11,899				11,899
Open-end mutual funds - BPCC	150,000		150,000		
Open-end mutual funds - LDCC	252,202			98,923	153,279
Open-end mutual funds - RPCC	41,112			41,112	
Open-end mutual funds - STCC	55,922				55,922
U.S. agency obligations - DCC	297,728				297,728
U.S. agency obligations - FTCC	81,313			81,313	
U.S. government obligations - DCC	777,730				777,730
U.S. government obligations - NCC	80,454		80,454		
Total	\$6,216,312	\$607,629	\$3,089,663	\$849,555	\$1,669,465

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

The mutual funds of \$5,801,228 and investments held by the private foundations of \$3,371,491 are held pursuant to the Board of Regents Endowed Chair, Endowed Professorships, and Endowed Scholarship Program. In accordance with Article VII, Section 14(B) of the Constitution of Louisiana, no more than 74% of the Program Assets may be invested in equity. For the purpose of this limitation, publicly traded equity and alternative investments shall be considered equity. A minimum of 26% of program assets will be invested in fixed income investments. No more than 50% of publicly traded equity may be foreign equity, and no more than 50% of publicly traded debt may be foreign debt. Publicly traded debt must maintain an average credit quality of at least "A" as determined by Moody's, S&P, or Fitch. No more than 5% of publicly traded debt may be invested in any single issuer with the exception of securities issued by the U.S. Government or its agencies. No more than 25% of program assets may be invested in alternative investments which is limited to no more than 10% of program assets in Real Estate Investment Trusts, no more than 15% in Hedge Funds, and no more than 10% in private equity and private debt combined based on committed capital. Leverage and the speculative use of derivatives are prohibited at the participant level, yet are permissible for external alternative investment managers.

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

Facilities Corporations' investments totaling \$56,766,992 and money market funds totaling \$41,651,204 were reported in the financial statements and Notes to the Financial Statements for the BRCC Facilities Corporation; Campus Facilities, Inc.; Delta Campus Facilities Corporation; LCTCS Facilities Corporation; and South Louisiana Facilities Corporation, which were prepared in accordance with the pronouncements of FASB ASC Topic 958. Generally accepted accounting principles allow for the inclusion, in the same consolidated report, of financial statements prepared in accordance with FASB, with those prepared under the standards of GASB. As such, the Notes to the Financial Statements of the corporations do not reflect the requirements of GASB Statement No. 3, as revised by Statement No. 40. These investments and money market funds are uninsured and are collateralized by securities held by the financial institution's trust department, but not in the corporation's name.

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

INVESTMENTS - FAIR VALUE MEASUREMENT

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

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

Fair values of assets and liabilities measured on a recurring basis at June 30, 2022, 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
Corporate bonds - DCC	\$1,616,238		\$1,616,238	
Corporate bonds - FTCC	128,668	\$128,668		
Corporate bonds - NCC	116,495	116,495		
Equity securities - DCC	351,689	351,689		
Equity securities - NCC	122,177	117,626		\$4,551
External investment pools - BRCC	432,824	432,824		
External investment pools - LDCC	11,899	11,899		
External investment pools - SLCC	1,152,075	1,152,075		
Open-end mutual funds - NTCC	764,940	764,940		
Open-end mutual funds - SLCC	1,021,652	1,021,652		
Open-end mutual funds - BPCC	1,430,000	1,430,000		
Open-end mutual funds - DCC	1,758,785	1,758,785		
Open-end mutual funds - FTCC	328,607	328,607		
Open-end mutual funds - LDCC	705,105	705,105		
Open-end mutual funds - NCC	260,464	260,464		
Open-end mutual funds - RPCC	146,419	146,419		
Open-end mutual funds - STCC	1,052,205	1,052,205		
U.S. agency obligations - DCC	297,728		297,728	
U.S. agency obligations - FTCC	81,313	81,313		
U.S. Government Obligations - DCC	777,730		777,730	
U.S. Government Obligations - NCC	80,454	80,454		
Money market funds - DCC*	119,643	119,643		
Facilities Corporations				
Money market funds - Delta Campus Facilities Corporation*	2,181,924	2,181,924		
Municipal Bonds - LCTCS Facilities Corporations	2,968,623		2,968,623	
U.S. government and agency obligations - LCTCS Facilities Corporation	53,798,369	42,946,653	10,851,716	
	<u>\$71,706,026</u>	<u>\$55,189,440</u>	<u>\$16,512,035</u>	<u>\$4,551</u>

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

4. RECEIVABLES

Receivables are shown on the Statement of Net Position, net of an allowance for doubtful accounts, at June 30, 2022. These receivables are composed of the following:

	Receivables	Allowance for Doubtful Accounts	Receivables, Net	Restricted Noncurrent Portion
Student tuition and fees	\$27,277,700	(\$10,431,216)	\$16,846,484	
Auxiliary enterprise	276,716		276,716	
Contributions and gifts	555,065		555,065	
State and private grants and contracts	7,224,554		7,224,554	
Due from state - insurance recoveries	5,427,807		5,427,807	
Other	8,548,401		8,548,401	\$6,741,659
Total	<u>\$49,310,243</u>	<u>(\$10,431,216)</u>	<u>\$38,879,027</u>	<u>\$6,741,659</u>

5. CAPITAL AND LEASED ASSETS

A summary of changes in capital and leased assets for the fiscal year ended June 30, 2022, follows:

	Balance June 30, 2021	Prior Period Adjustment	Adjusted Balance June 30, 2021	Additions	Reclassification of CIP	Retirements	Balance June 30, 2022
Capital assets not being depreciated:							
Land	\$50,967,501		\$50,967,501	\$532,551		(\$25,000)	\$51,475,052
Non-depreciable land improvements	3,012,419		3,012,419				3,012,419
Construction-in-progress	26,874,308	(\$2,090,666)	24,783,642	37,465,746	(\$29,207,636)		33,041,752
Total capital assets not being depreciated	80,854,228	(2,090,666)	78,763,562	37,998,297	(29,207,636)	(25,000)	87,529,223
Capital assets being depreciated:							
Depreciable land improvements	15,804,894		15,804,894	284,156			16,089,050
Accumulated depreciation	(8,353,690)		(8,353,690)	(683,874)			(9,037,564)
Total land improvements	7,451,204	-	7,451,204	(399,718)	-	-	7,051,486
Buildings	819,897,037		819,897,037	621,421	28,635,492	(1,289,560)	847,864,390
Accumulated depreciation	(249,063,851)		(249,063,851)	(19,715,546)		1,082,147	(267,697,250)
Total Buildings	570,833,186	-	570,833,186	(19,094,125)	28,635,492	(207,413)	580,167,140
Equipment (including library books)	151,906,801	61,282	151,968,083	13,578,481	572,144	(4,762,649)	161,356,059
Accumulated depreciation	(115,024,440)	(21,352)	(115,045,792)	(10,882,820)		4,364,940	(121,563,672)
Total equipment	36,882,361	39,930	36,922,291	2,695,661	572,144	(397,709)	39,792,387
Other intangibles (Including Software)	22,218,023		22,218,023	637,226			22,855,249
Accumulated amortization	(19,439,758)		(19,439,758)	(2,285,525)			(21,725,283)
Total intangibles	2,778,265	-	2,778,265	(1,648,299)	-	-	1,129,966
Total capital assets being depreciated	617,945,016	39,930	617,984,946	(18,446,481)	29,207,636	(605,122)	628,140,979
Capital assets, net	\$698,799,244	(\$2,050,736)	\$696,748,508	\$19,551,816	\$0	(\$630,122)	\$715,670,202
Right-to-use leased assets:							
Leased buildings/office space			0	\$470,167			\$470,167
Accumulated amortization			0	(92,994)			(92,994)
Total leased buildings/office space	0	0	0	377,173	0	0	377,173
Leased equipment			0	266,223			266,223
Accumulated amortization			0	(18,855)			(18,855)
Total leased equipment	0	0	0	247,368	0	0	247,368
Total right-to-use leased assets, net	\$0	\$0	\$0	\$624,541	\$0	\$0	\$624,541

The June 30, 2021, balance of capital assets has been adjusted by \$2,050,736 to reflect prior-period adjustments resulting from the correction of prior-year errors. One building with a total carrying value of \$190,524 remain idle at June 30, 2022, because of damages from Hurricane Laura.

6. PENSION PLANS

General Information about the Pension Plans

Plan Descriptions

The System is a participating employer in two state public employee retirement systems, Louisiana State Employees' Retirement System (LASERS) and Teachers' Retirement System of Louisiana (TRSL). Both systems have separate boards of trustees and administer cost-sharing, multiple-employer defined benefit pension

plans, including classes of employees with different benefits and contribution rates (sub-plans). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of all sub-plans administered by these systems to the State Legislature. Each system issues a public report that includes financial statements and required supplementary information. Copies of these reports for LASERS and TRSL may be obtained at www.lasersonline.org and www.trsl.org, respectively.

TRSL also administers an optional retirement plan (ORP), which was created by Louisiana Revised Statute (R.S.) 11:921-931 for academic and administrative employees of public institutions of higher education and is considered a defined contribution plan (see note 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 System's members are regular plan members. Regular plan members hired prior to July 1, 2006, may retire with full benefits at any age upon completing 30 years of creditable service, at age 55 upon completing 25 years of creditable service, or at age 60 upon completing ten years of creditable service. Regular plan members hired from July 1, 2006, through June 30, 2015, may retire with full benefits at age 60 upon completing five years of creditable service. Regular plan members hired on or after July 1, 2015, may retire with full benefits at age 62 upon completing five years of creditable service. Additionally, all regular plan members may choose to retire with 20 years of creditable service at any age, with an actuarially reduced benefit. The basic annual retirement benefit for regular plan members is equal to 2.5% of average compensation multiplied by the number of years of creditable service, generally not to exceed 100% of average compensation. Average compensation for regular plan members is defined in R.S. 11:403 as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006, or highest 60 consecutive months of employment for members employed on or after that date. A member leaving service before attaining minimum retirement age but after completing certain minimum service requirements, generally 10 years, becomes eligible for a benefit provided the member lives to the minimum service retirement

age and does not withdraw the accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification.

Eligibility requirements and benefit computations for disability benefits are provided for in R.S. 11:461. Generally, active regular plan members with 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.

Provisions for 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. 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 System are participants in the Regular Plan. In the regular plan, eligibility for retirement is determined by the date the member joined TRSL. Members hired prior to January 1, 2011, are eligible to receive retirement benefits (1) at the age of 60 with five years of service, (2) at the age of 55 with at least 25 years of service, or (3) at any age with at least 30 years of service. Members hired between January 1, 2011, and June 30, 2015, are eligible to retire at age 60 with five years of service. Members hired on or after July 1, 2015, are eligible to retire at age 62 with five years of service. All regular plan members are eligible to retire at any age with 20 years of service but the benefit is actuarially-reduced if the member is hired on or after July 1, 1999. Retirement benefits for regular plan

members are calculated by applying a percentage ranging from 2% to 2.5% of final average compensation multiplied by years of creditable service. Average compensation is defined in R.S. 11:701 as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to January 1, 2011, or highest 60 consecutive months of employment for members employed on or after that date.

Under R.S. 11:778 and 11:779, members who have suffered 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, 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 in order for a benefit to be paid to a minor or handicapped child. The minimum service credit requirement is ten years for a surviving spouse with no minor children. Surviving spouse benefits are equal to 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 \$600 per month, whichever is greater. 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 handicapped child. Benefits are paid for life to a surviving spouse unless the deceased active member has less than 20 years of creditable service and the surviving spouse remarries before the age of 55.

Deferred Retirement Option Plan

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 an initial lump-sum benefit option 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 2022 totaled \$7,880,941, with regular plan active member contributions ranging from 7.5% to 8%, and employer contributions of 39.5% of covered payroll. Employer defined benefit plan contributions to TRSL for fiscal year 2022 totaled \$40,543,195 with regular plan active member contributions of 8%, and employer contributions of 21.47% for ORP members, and 24.5% to 25.2% for defined benefit plan members. The proportionate share of non-employer contributing entity contributions to TRSL, which are comprised of ad valorem tax revenue and state revenue sharing funds, totaled \$1,325,281 for fiscal year 2022, and were recognized as revenue in fiscal year 2022 by the System.

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

At June 30, 2022, the System reported liabilities of \$53,960,375 and \$163,967,658 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, 2021, and the total pension liabilities used to calculate the NPL were determined by actuarial valuations as of that date. The System's proportions of the NPL were based on projections of the System's long-term share of contributions to the pension plans relative to the projected contribution of all participating employers, actuarially determined. The System's projected contribution effort was calculated by multiplying the eligible annual compensation of active members in the Plan as of June 30, 2021, by the fiscal year 2022 employer actuarially required contribution

rates. As of June 30, 2021, the most recent measurement date, the System's proportions and the changes in proportions from the prior measurement date were 0.98041%, or a decrease of 0.05680%, for LASERS, and 3.07126%, or a decrease of 0.28315%, for TRSL.

For the year ended June 30, 2022, the System recognized a total pension expense of \$3,603,691 for defined benefit plans, or \$2,154,123 and \$1,449,568 for LASERS and TRSL, respectively. At June 30, 2022, the System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	LASERS	TRSL	Total	LASERS	TRSL	Total
Differences between expected and actual experience	\$53,292	\$837,453	\$890,745		\$2,479,289	\$2,479,289
Changes of assumptions	1,321,710	15,961,012	17,282,722			
Net difference between projected and actual earnings on pension plan investments				\$12,583,762	110,682,910	123,266,672
Changes in proportion and differences between employer contributions and proportionate share of contributions	386,880	31,604,861	31,991,741	2,426,998	32,049,522	34,476,520
Employer contributions subsequent to the measurement date	7,880,941	40,543,195	48,424,136			
Total	<u>\$9,642,823</u>	<u>\$88,946,521</u>	<u>\$98,589,344</u>	<u>\$15,010,760</u>	<u>\$145,211,721</u>	<u>\$160,222,481</u>

Deferred outflows of resources related to pensions resulting from the System's contributions subsequent to the measurement date will be recognized as a reduction of the LASERS and TRSL NPL in the year ended June 30, 2023. 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
2023	(\$2,850,455)	(\$23,462,460)	(\$26,312,915)
2024	(1,939,086)	(15,501,135)	(\$17,440,221)
2025	(2,858,916)	(22,628,080)	(\$25,486,996)
2026	(5,601,975)	(38,256,977)	(\$43,858,952)

Actuarial Assumptions and Methodologies

The total pension liabilities for LASERS and TRSL in the June 30, 2021, actuarial valuations were determined using the following actuarial assumptions and methodologies, applied to all periods included in the measurements:

	LASERS	TRSL
Valuation Date	June 30, 2021	June 30, 2021
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)	7.40% per annum, net of investment expenses *	7.4% net of investment expenses *
Inflation Rate	2.3% per annum	2.3% per annum
Mortality Rates	<p>General active members: RP-2014 Blue Collar Employee tables, adjusted by 0.978 for males and 1.144 for females</p> <p>General retiree/inactive members (males): RP-2014 Blue Collar Healthy Annuitant table, adjusted by 1.280</p> <p>General retiree/inactive members (females): RP-2014 White Collar Healthy Annuitant table, adjusted by 1.417</p> <p>Mortality assumptions for non-disabled members include improvement projected using the MP-2018 Mortality Improvement Scale, applied on a fully generational basis.</p> <p>Disabled retiree members: RP-2000 Disabled Retiree Mortality Table, adjusted by 1.009 for males and 1.043 for females, with no projection for improvement</p>	<p>Active members: 'RP-2014 White Collar Employee tables, adjusted by 1.010 for males and by 0.997 for females</p> <p>Non-disabled retiree/inactive members: RP-2014 White Collar Healthy Annuitant tables, adjusted by 1.366 for males and by 1.189 for females</p> <p>Disabled retiree members: RP-2014 Disability tables, adjusted by 1.111 for males and by 1.134 for females</p> <p>Mortality base tables were adjusted from 2014 to 2018 using the MP-2017 generational improvement table, with continued future mortality improvement projected using the MP-2017 generational mortality improvement tables.</p>
Termination, Disability, Retirement	Termination, disability, and retirement assumptions were projected based on a five year (2014-2018) experience study of the plan's members.	Termination, disability, and retirement assumptions were projected based on a five year (July 1, 2012 - June 30, 2017) experience study of the plan's members.
Projected Salary Increases	Salary increases were projected based on a 2014-2018 experience study of the plan's members. The projected salary increase for regular plan members ranges from 3.0% to 12.8% depending on duration of service.	Salary increases were projected based on a July 1, 2012 to June 30, 2017 experience study of the System's members. The projected salary increase for regular plan members ranges from 3.1% to 4.6% depending on duration of service.
Cost of Living Adjustments	Not substantively automatic	Not substantively automatic
* The investment rate of return used in the actuarial valuation for funding purposes was 7.75%, 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 include an adjustment to recognize that investment earnings will be allocated to the experience account to fund potential future increases.

The June 30, 2021, valuations include the following changes in assumptions:

- The discount rate was reduced from 7.55% to 7.40% for the LASERS June 30, 2021 valuation and from 7.45% to 7.40% for the TRSL June 30, 2021, valuation. In fiscal year 2022, the LASERS and TRSL Boards adopted additional reductions to the discount rate and a 7.25% rate was used to determine the projected actuarially required contribution rates for the 2022/2023 fiscal year.

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 7.61%, and 7.87%, 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, 2021, are summarized for each plan in the following table:

	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
LASERS (geometric)		
Cash	1.00%	-0.29%
Domestic equity	31.00%	4.09%
International equity	23.00%	5.12%
Domestic fixed income	3.00%	0.49%
International fixed income	18.00%	3.94%
Alternative investments	24.00%	6.93%
Risk Parity	0.00%	N/A
Total	<u>100.00%</u>	5.81%
TRSL (arithmetic)		
Domestic equity	27.00%	4.21%
International equity	19.00%	5.23%
Domestic fixed income	13.00%	0.44%
International fixed income	5.50%	0.56%
Private Equity	25.50%	8.48%
Other Private Assets	10.00%	4.27%
Total	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.40% 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 rate and that contributions from participating employers will be made at the actuarially-determined rates approved by PRSAC, taking into consideration the recommendation of the respective pension system's actuary. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
	(6.40%)	(7.40%)	(8.40%)
	LASERS	LASERS	LASERS
	<u>(6.40%) TRSL</u>	<u>(7.40%) TRSL</u>	<u>(8.40%) TRSL</u>
LASERS	\$73,112,230	\$53,960,375	\$37,664,556
TRSL	\$271,349,848	\$163,967,658	\$73,647,943

Pension plan fiduciary net position

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

Payables to the Pension Plan

At June 30, 2022, the System had \$695,025 and \$2,827,642 in payables to LASERS and TRSL, respectively, for the June 2022 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 optional retirement plan rather than the TRSL and purchase retirement and death benefits through fixed and/or variable annuity contracts provided by designated companies. Benefits payable to participants are not the obligation of the state of Louisiana or the TRSL. Such benefits and other rights of the ORP are the liability and responsibility solely of the designated company or companies to whom contributions have been made.

R.S. 11:927 sets the contribution requirements of the ORP plan members and the employer. Each plan member shall contribute monthly to the ORP an amount equal to the contribution rates established for the regular retirement plan of TRSL as disclosed in Note 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 2022 totaled \$7,936,565, which represents pension expense for the System. Employee contributions totaled \$2,293,138. The fiscal year 2022 employee and employer contribution rates were 8% and 6.2%, respectively, with an additional employer contribution of 21.47% (shared UAL) made to the TRSL defined benefit plan described in Note 6 above.

8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description and Benefits Provided

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

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. In addition, retired employees who have Medicare Part A and Part B coverage also have access to six fully-insured Medicare Advantage plans and an Individual Medicare Market Exchange plan that provides monthly health reimbursement arrangement credits.

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, 2022, totaled \$9,810,359.

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

Funding Policy

During fiscal year 2022, neither the System nor the state of Louisiana made contributions to a postemployment benefits plan trust. A trust was established but was not funded and has no accumulated assets that meet the criteria of paragraph 4 of GASB Statement 75. The plan is currently financed on a pay-as-you-go basis under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments are due.

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

At June 30, 2022, the System reported a liability of \$314,523,731 for its proportionate share of the total collective OPEB liability, of which \$9,810,359 is current and the remaining \$304,713,372 is noncurrent. The total collective OPEB liability was measured as of July 1, 2021, and was determined by an actuarial valuation as of that date.

The System's proportionate share percentage is based on the employer's individual OPEB actuarial accrued liability (AAL) in relation to the total OPEB AAL liability for all participating entities included in the state of Louisiana reporting entity. At July 1, 2021, the most recent measurement date, the System's current year proportion and the change in proportion from the prior measurement date was 3.4349%, or a decrease of 0.0554%.

For the year ended June 30, 2022, the System recognized total OPEB expense of \$9,275,839 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	\$6,317,193	\$182,575
Changes of assumptions or other inputs	23,108,129	14,060,471
Changes in employer's proportionate share	7,017,915	12,036,189
Difference between change in employer's proportionate share of benefit payments and actual benefit payments	1,574,882	2,500,060
Employer's benefit payments made subsequent to the measurement date	9,810,359	
Total	<u>\$47,828,478</u>	<u>\$28,779,295</u>

Deferred outflows of resources related to OPEB resulting from the System's benefit payments subsequent to the measurement date will be recognized as a reduction of the total collective OPEB liability in the year ended June 30, 2023. 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
2023	(\$1,621,467)
2024	3,197,685
2025	5,431,667
2026	2,230,938

Actuarial Assumptions

The total collective OPEB liability in the July 1, 2021, 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, 2021
Actuarial Cost Method	Entry Age Normal, level percent 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	2.18% based on the June 30, 2021 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 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. This assumption has been revised since the prior year based on actuary's updated National Health Care Trend Survey information. The prior pre-65 trend decreased from an initial rate of 6.50% in fiscal year ended 2022 to an ultimate trend of 4.50% in fiscal year ended 2030. The prior post-65 trend

decreased from an initial rate of 5.00% in fiscal year ended 2022 to an ultimate rate of 4.50% in fiscal year ended 2024.

Health Care Claim Cost	Per capita costs for the self-insured plans were based on prescription drug claims for retired participants for the period January 1, 2020, through December 31, 2021 and medical claims for retired participants for the period January 1, 2019, through December 31, 2019 and from January 1, 2021 through December 31, 2021. 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 2022 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 that are provided with benefits through the plan (active and inactive employees) determined at July 1, 2020, 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, 2018, through June 30, 2021. 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 decreased from 2.66% to 2.18%.
- Baseline per capita costs (PCCs) were updated to reflect 2021 claims and enrollment.
- Medical plan election percentages were updated based on the coverage elections of recent retirees.

- The healthcare cost trend rate assumption was revised based on updated National Health Care Trend Survey information.

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

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

	1.0% Decrease	Current Discount Rate	1.0% Increase
	(1.18%)	(2.18%)	(3.18%)
Proportionate Share of Total Collective OPEB Liability	\$372,716,296	\$314,523,731	\$268,777,505

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

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

	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	\$266,407,114	\$314,523,731	\$377,139,875

Participation

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

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

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

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

9. ACCOUNTS PAYABLE AND ACCRUALS

The following is a summary of accounts payable and accruals at June 30, 2022:

Accrued salaries and benefits	\$21,488,800
Travel and training	366,645
Operating services	5,279,372
Professional services	969,496
Supplies	2,156,166
Grants and public assistance	5,799,476
Other charges	1,399,886
Capital outlay	4,717,749
	<hr/>
Total	<u><u>\$42,177,590</u></u>

10. UNEARNED REVENUES

The following is a summary of unearned revenues at June 30, 2022:

Prepaid tuition and fees	\$9,411,608
Prepaid rent	105,222
Grants and contracts	1,999,130
	<hr/>
Total	<u><u>\$11,515,960</u></u>

11. COMPENSATED ABSENCES

At June 30, 2022, employees of the System have accumulated and vested annual, sick, and compensatory leave of \$10,997,516; \$12,035,928; and \$6,423, respectively. These balances were computed in accordance with GASB Codification Section C60. The leave payable is recorded in the accompanying financial statements.

12. LEASES

In June 2017, the Governmental Accounting Standards Board issued GASB Statement No.87, Leases (GASB 87). This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset (lease asset), and a lessor is required to recognize a lease receivable and a deferred inflow of resources. During fiscal year 2022, the System implemented GASB 87.

Lease Liability – Lessee:

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

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

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

Buildings and Office Space: The System entered into multiple lease agreements as a lessee to lease classroom/lab space. The terms of the various lease agreements range from 18 months to 3 years. The leases have an interest rate of 0.29%. As of June 30, 2022, the aggregate value of the lease liability was \$366,880. The value of the right-to-use asset as of June 30, 2022 was \$377,173 and had accumulated amortization of \$92,994. (See Note 5: Capital and Leased Assets)

Equipment: The System entered into multiple lease agreements as a lessee to lease copier equipment. The terms of the various lease agreements range from 5 to 6 years. The leases have an interest rate of 1.0%. As of June 30, 2022, the aggregate value of the lease liability was \$245,310. The value of the right-to-use asset as of June 30, 2022 was \$247,368 and had accumulated amortization of \$18,855. (See Note 5: Capital and Leased Assets).

The future principal and interest payments as of June 30, 2022, were as follows:

	Future Principal and Interest Payments on Leases		
	Principal	Interest	Total
2023	\$228,616	\$3,033	\$231,649
2024	179,874	2,101	181,975
2025	87,093	1,416	88,509
2026	43,766	955	44,721
2027	43,456	517	43,973
2028	29,385	110	29,495
Total	\$612,190	\$8,132	\$620,322

Lease Receivable (Lessor):

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

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

The terms of the various lease agreements range from 2 to 15 years. The System recognized \$127,560 in aggregate lease revenue and \$512 in interest revenue during

the current fiscal year. As of June 30, 2022, the System's aggregate lease receivable balance for lease payments was \$331,858. The System has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease term. As of June 30, 2022, the balance of the deferred inflow of resources was \$333,655. Information about lease revenues and interest revenues recognized during fiscal year 2022, as well as receivable and deferred inflows of resources amounts recognized as of June 30, 2022 are presented per asset class in the table below:

Asset Classes	Lease Revenue	Interest Revenue	Lease Receivable June 30, 2022	Deferred Inflows of Resources June 30, 2022
Buildings/Office Space	\$120,000	\$419	\$227,813	\$229,703
Land	7,560	93	104,045	103,952
Total	<u>\$127,560</u>	<u>\$512</u>	<u>\$331,858</u>	<u>\$333,655</u>

13. LONG-TERM LIABILITIES

The following is a summary of bonds and other long-term debt transactions of the System for the year ended June 30, 2022:

	Balance June 30, 2021	Prior Period Adjustments	Restated Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Portion Due Within One Year
Bonds payable, net	\$454,627,457		\$454,627,457	\$150,770,000	(\$170,270,088)	\$435,127,369	\$25,265,000
Lease liability (note 12)	1,995,000	(\$1,995,000)		674,294	(62,104)	612,190	228,616
Compensated absences payable (note 11)	22,868,841		22,868,841	6,794,311	(6,623,285)	23,039,867	1,624,765
Notes payables - direct borrowings		1,995,000	1,995,000		(202,500)	1,792,500	210,000
Total long-term liabilities **	<u>\$479,491,298</u>	<u>\$0</u>	<u>\$479,491,298</u>	<u>\$158,238,605</u>	<u>(\$177,157,977)</u>	<u>\$460,571,926</u>	<u>\$27,328,381</u>

**Changes in long-term liabilities for Pensions and Other Postemployment benefits can be found in notes 6 and 8.

Details of all debt outstanding at June 30, 2022, follow:

Bonds Payable

As presented on the Statement of Net Position, at June 30, 2022, bonds payable total \$435,127,369, of which \$25,265,000 is current, and the remaining \$409,862,369 is noncurrent.

Detailed summaries, by issues, of all bonded debt outstanding at June 30, 2022, follow:

	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Outstanding June 30, 2021</u>	<u>Issued (Redeemed)</u>	<u>Outstanding June 30, 2022</u>	<u>Maturities</u>	<u>Interest Rates</u>	<u>Future Interest Payments June 30, 2022</u>
BRCC Facilities Corporation:								
Series 2011 Revenue Refunding Bonds	Oct. 11, 2011	\$31,495,000	\$8,070,000	(\$2,580,000)	\$5,490,000	2023-2024	2.0% - 4.098%	\$199,281
Series 2020 Taxable Revenue Refunding Bonds	Feb. 19, 2020	38,175,000	38,150,000	(645,000)	37,505,000	2023-2033	1.609% - 2.652%	5,840,943
Campus Facilities, Inc.:								
Series 2012 Revenue Refunding Bonds	Dec. 4, 2012	38,050,000	25,015,000	(3,090,000)	21,925,000	2023-2028	3.0% - 5.0%	2,950,800
South Louisiana Facilities Corporation:								
Series 2012 Revenue Refunding Bonds	Sept. 6, 2012	13,185,000	7,540,000	(980,000)	6,560,000	2023-2028	2.0%-4.0%	635,622
Delta Campus Facilities, Inc.:								
Series 2017 Revenue Refunding Bonds	Oct. 24, 2017	22,750,000	17,005,000	(2,115,000)	14,890,000	2023-2028	3.641% - 5.0%	2,624,450
LCTCS Facilities Corporation:								
Series 2014 Revenue Bonds	Dec. 18, 2014	128,330,000	128,330,000	(128,330,000)			3.25%-5.0%	
Series 2017 Revenue Refunding Bonds	Oct. 24, 2017	88,590,000	88,590,000	(9,230,000)	79,360,000	2023-2029	5.00%	16,669,500
Series 2017 Revenue Bonds	Oct. 25, 2017	20,770,000	18,805,000	(2,045,000)	16,760,000	2023-2029	5.00%	3,407,250
Series 2018 Revenue Bonds	Dec. 19, 2018	66,830,000	66,830,000		66,830,000	2029-2040	5.00%	35,009,500
Series 2019 Revenue Bonds	Dec. 18, 2019	16,630,000	15,075,000	(1,235,000)	13,840,000	2023-2029	5.00%	2,732,750
Series 2021 Taxable Revenue Refunding Bonds	Sept. 1, 2021	150,770,000		150,770,000	150,770,000	2023-2040	0.426%-2.745%	49,112,984
Total		<u>\$615,575,000</u>	413,410,000	520,000	413,930,000			<u>\$119,183,080</u>
Net original premiums (discounts)			54,384,096	(10,884,078)	43,500,018			
Net accumulated amortization of premiums/discounts			<u>(13,166,639)</u>	<u>(9,136,010)</u>	<u>(22,302,649)</u>			
Bonds payable, net			<u>\$454,627,457</u>	<u>(\$19,500,088)</u>	<u>\$435,127,369</u>			

The annual requirements to amortize all bonds outstanding at June 30, 2022, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$25,265,000	\$15,352,869	\$40,617,869
2024	26,475,000	13,979,051	40,454,051
2025	27,625,000	12,869,754	40,494,754
2026	28,810,000	11,691,661	40,501,661
2027	30,020,000	10,489,699	40,509,699
2028-2032	121,795,000	34,621,652	156,416,652
2033-2037	93,745,000	16,491,592	110,236,592
2038-2042	60,195,000	3,686,802	63,881,802
Total	<u>\$413,930,000</u>	<u>\$119,183,080</u>	<u>\$533,113,080</u>

Outstanding principal of \$413,930,000 plus net unamortized premium/discount of \$21,197,369 totals \$435,127,369.

The terms specified in Article VIII, Section 8.2 of the Trust Indentures for the bonds described at Note 22 identify events of default. Upon the occurrence of an Event of Default, the Authority, the Trustee, and, the Bondholders shall have all the rights and remedies as may be allowed by law, the Indenture, or pursuant to the provisions of the Loan Agreement and/or the Facilities Lease by virtue of their assignment, including but not limited to, acceleration of the maturity of all the Bonds, or suit at law or in equity to enforce or enjoin the action or inaction of parties under the provisions.

Notes Payable – Direct Borrowings

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

The annual principal and interest requirements for notes payable outstanding at June 30, 2022, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$210,000	\$75,866	\$285,866
2024	217,500	67,991	285,491
2025	225,000	59,395	284,395
2026	235,000	50,058	285,058
2027	245,000	40,305	285,305
2028-2030	660,000	53,888	713,888
Total	<u>\$1,792,500</u>	<u>\$347,503</u>	<u>\$2,140,003</u>

Accrued Compensated Absences Payable

Accrued compensated absences payable at June 30, 2022, for \$23,039,867 is detailed in note 11.

Debt Service Reserve Requirements

The following is a summary of the debt service reserve requirements of the various bond issues outstanding at June 30, 2022:

<u>Bond Issue</u>	<u>Reserve Available</u>	<u>Reserve Requirement</u>	<u>Excess</u>
LCTCS Facilities Corporation Series 2011 Revenue Bonds	<u>\$1,896,549</u>	<u>\$1,896,547</u>	<u>\$2</u>
Total	<u>\$1,896,549</u>	<u>\$1,896,547</u>	<u>\$2</u>

14. RESTRICTED NET POSITION

The System has the following restricted net position at June 30, 2022:

Nonexpendable:	
Endowments	\$10,904,716
Phoebe Jackson Trust	<u>290,536</u>
Total nonexpendable	<u>\$11,195,252</u>
Expendable:	
Academic excellence fee	\$34,556,415
Act 170 - 2022 regular session	2,298,040
Act 119 - 2021 regular session	448,960
Albania Plantation	1,254,886
Building use fee	15,692,011
Endowment earnings	2,469,010
Facilities Corporations net position	98,577,021
Governor's Emergency Education Relief Fund	3,539,981
Grants and contracts	22,950,667
Higher Education Initiatives Fund	925,837
Insurance Proceeds for Disaster Recovery	2,437,606
Maintenance Reserve	557,590
Operational fee	1,463,843
Orleans Parish Excellence	536,586
Other restricted funds	3,222,207
Preventative maintenance	68,597
Settlement carryover fund	1,300,055
Student Government Association fees	4,296,079
Student Life Center	3,482,449
Technology fee	10,099,404
Vehicle registration fee	<u>9,466,835</u>
Total expendable	<u>\$219,644,079</u>

Of the total net position reported in the Statement of Net Position for the year ended June 30, 2022, \$76,056,439 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).

15. 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, 2021	(\$63,476,083)
Reclassifications and adjustments for prior-year errors:	
Cash adjustment	(316,295)
Receivables adjustment	207,855
Due from federal government adjustment	10,040
Capital assets adjustment	(2,050,736)
Accounts payable and accrued liabilities adjustment	98,512
Due to federal government adjustment	(176,601)
Amounts held in custody for others adjustment	506,088
Lease liability adjustment	1,995,000
Notes payable adjustment	<u>(1,995,000)</u>
Net position at June 30, 2021, as restated	<u><u>(\$65,197,220)</u></u>

The restatements decreased the System's beginning net position by \$1,721,137. The restatements were due to corrections of errors. Had the error corrections affecting fiscal year 2021 been included in the June 30, 2021, Statement of Revenues, Expenses, and Changes in Net Position, the previously reported change in net position of \$37,130,837 would have been \$34,863,682.

16. CONTINGENT LIABILITIES AND RISK MANAGEMENT

Losses arising from judgments, claims, and similar contingencies are paid through the state's self-insurance fund operated by the Office of Risk Management (ORM), the agency responsible for the state's risk management program, or by appropriation from the State's General Fund. At June 30, 2022, the System is not involved in any lawsuits that are not handled by either the ORM or the Attorney General's office.

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

17. FOUNDATIONS

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

- Baton Rouge Community College Foundation, Inc.
- Bossier Parish Community College Foundation, Inc.
- Delgado Community College Foundation, Inc.
- Elaine P. Nunez Community College Foundation
- LCTCS Foundation

- Fletcher Technical Community College Foundation, Inc.
- Louisiana Delta Community College Foundation
- Louisiana Technical College Tallulah Foundation
- Northshore College Enhancement Foundation
- River Parishes Community College Foundation, Inc.
- South Louisiana Community College Foundation
- SOWELA Technical Community College Foundation, Inc.

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

Certain colleges of the System have contracted with their respective foundations to invest the colleges' Endowed Professorship and Endowed Scholarship Program endowment funds in accordance with the Board of Regents for Higher Education's investment policies. The Endowed Professorship Program endowment funds are established for \$100,000 each, with \$60,000 of private contributions and \$40,000 of state matching portion allocated by the Board of Regents for Higher Education. Once a college has received state match for 15 Endowed Professorship slots, that college will be eligible only for the 80% non-state/20% state ratio. The Endowed Scholarship Program endowment funds are established for \$20,000 each, with \$10,000 of private contributions and \$10,000 of state matching portion allocated by the Board of Regents for Higher Education. Also, other Endowed Scholarship Program endowment funds are established for \$40,000 each, with \$30,000 of private contributions and \$10,000 of state matching portion allocated by the Board of Regents for Higher Education. Higher levels are permitted subject to the same ratios and matching levels. At June 30, 2022, the foundations hold in custody \$3,371,491 of State Endowed Professorship and Scholarship Program funds. Amounts invested by private foundations for the System are included as investments held by private foundations in external investment pools in Note 3.

18. 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, 2022, net appreciation of \$2,452,196 is available to be spent, of which \$2,366,372 is restricted to specific purposes (net appreciation decreased \$1,819,439 during the fiscal year). The System limits endowment spending to the income earned in a given year for purposes specified by donors. The donated portion of the endowments is reported in "restricted net position - nonexpendable" in the Statement

of Net Position; the endowment income is reported in "restricted net position - expendable."

19. DEFERRED COMPENSATION PLAN

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

20. BLENDED COMPONENT UNITS

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

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

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

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

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

Condensed financial information for these blended component units follows:

Facilities Corporations
Condensed Statement of Net Position
For the Year Ended June 30, 2022

	BRCC Facilities Corporation	Campus Facilities Inc.*	Delta Campus Facilities Corporation*	LCTCS Facilities Corporation*	South Louisiana Facilities Corporation
Assets:					
Capital Assets	\$45,326,434	\$34,600,366	\$23,076,165	\$314,144,065	\$8,700,916
Other Assets	2,918,955	1,929,400	2,841,491	105,748,942	2,192,014
Total Assets	<u>48,245,389</u>	<u>36,529,766</u>	<u>25,917,656</u>	<u>419,893,007</u>	<u>10,892,930</u>
Liabilities:					
Current Liabilities	3,637,463	3,329,121	2,395,738	22,786,596	1,065,641
Long-Term Liabilities	39,701,637	20,366,645	14,575,950	329,622,552	5,595,585
Total Liabilities	<u>43,339,100</u>	<u>23,695,766</u>	<u>16,971,688</u>	<u>352,409,148</u>	<u>6,661,226</u>
Net Position:					
Net Investment in Capital Assets	2,648,594	10,983,721	6,537,522	(22,488,430)	2,143,392
Restricted Net Position - Expendable	2,257,695	1,850,279	2,408,446	89,972,289	2,088,312
Total Net Position	<u>\$4,906,289</u>	<u>\$12,834,000</u>	<u>\$8,945,968</u>	<u>\$67,483,859</u>	<u>\$4,231,704</u>

Facilities Corporations
Condensed Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2022

Depreciation Expense	\$2,283,688	\$1,495,874	\$1,064,844	\$10,453,805	\$414,438
Net Operating Loss	<u>(2,283,688)</u>	<u>(1,495,874)</u>	<u>(1,064,844)</u>	<u>(10,453,805)</u>	<u>(414,438)</u>
Nonoperating Revenues (Expenses):					
Investment Income	2,788	445	787	91,440	797
Interest Expense	(1,045,161)	(756,263)	(441,821)	(10,113,067)	(192,234)
Other (net)	(295,987)	(673,579)	(186,693)	(9,571,945)	(35,104)
Capital Appropriations	5,105,860	4,450,030	3,153,694	30,889,140	1,358,683
Capital Grants and Gifts	NONE	NONE	NONE	12,199,110	NONE
Changes in Net Position	<u>1,483,812</u>	<u>1,524,759</u>	<u>1,461,123</u>	<u>13,040,873</u>	<u>717,704</u>
Net Position, Beginning of the Year	3,422,477	11,309,241	7,484,845	54,442,986	3,514,000
Net Position, End of the Year	<u>\$4,906,289</u>	<u>\$12,834,000</u>	<u>\$8,945,968</u>	<u>\$67,483,859</u>	<u>\$4,231,704</u>

Facilities Corporations
Condensed Statement of Cash Flows
For the Year Ended June 30, 2022

Net cash flows provided (used) by:					
Noncapital Financing	(\$148,435)	(\$654,471)	(\$127,836)	(\$120,902)	NONE
Capital and Related Financing	221,110	288,147	226,494	(11,954,987)	\$144,970
Investing Activities	2,788	445	787	15,799,857	797
Net Increase (Decrease) in Cash	<u>75,463</u>	<u>(365,879)</u>	<u>99,445</u>	<u>3,723,968</u>	<u>145,767</u>
Cash, Beginning of the Year	2,323,120	2,295,279	2,484,054	34,478,808	1,993,186
Cash, End of the Year	<u>\$2,398,583</u>	<u>\$1,929,400</u>	<u>\$2,583,499</u>	<u>\$38,202,776</u>	<u>\$2,138,953</u>

*For the year ended December 31, 2021

21. RELATED-PARTY TRANSACTIONS

During 2021, the Chairman of the LCTCS Facilities Corporation was also a member of the Board of Supervisors of the Louisiana Community and Technical College System (the Board).

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

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

Delgado Community College entered into an agreement with the Delgado Community College Foundation to finance the building of the City Park Campus Student Life Center. The terms of the agreement include a notes payable for 30 years, with interest payments that began April 1, 2000. Interest and principal payments are made semiannually, commencing October 1, 2000. The system reports this transaction as an asset and an obligation in the accompanying financial statements. The obligation (notes payable – direct borrowings) is included in Note 13.

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

22. ALTERNATIVE FINANCING AGREEMENTS

Baton Rouge Community College (BRCC)

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

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

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

Bossier Parish Community College (BPCC)

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

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

South Louisiana Community College (SLCC)

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

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

Louisiana Delta Community College (LDCC)

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

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

LCTCS Facilities Corporation

Act 391

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

Phase 1: On October 1, 2009, the Louisiana Local Government Environmental Facilities and Community Development Authority issued \$64,570,000 in revenue bonds on behalf of the LCTCS Facilities Corporation, a nonprofit organization, for the following projects: Northwest Campus of Northwest Louisiana Technical Community College in Minden, Huey P. Long Campus of Central Louisiana Technical Community College in Winnfield, Young Memorial Campus of South Louisiana Community College in Morgan City, Shelby M. Jackson Campus of Central Louisiana Technical Community College in Ferriday, Gulf Area Campus of South Louisiana Community College in Abbeville, Elaine P. Nunez Community College in Chalmette, Statewide Information System Infrastructure and Equipment for Campuses, L.E. Fletcher Technical Community College in Houma, and Florida Parishes Campus of Northshore Technical Community College in Greensburg. Pursuant to terms of a Ground Lease agreement effective October 1, 2009, the corporation has leased the land from the Board of Supervisors of the System. The lease term expires on October 1, 2038. In accordance with the provisions of the facilities lease, the corporation, on behalf of the Board, will

develop and construct new facilities which will be leased back to the Board for use by the students, faculty, and staff of the colleges.

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

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

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

Act 360

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

Phase 1: On December 18, 2014, the Louisiana Local Government Environmental Facilities and Community Development Authority issued \$128,330,000 in revenue bonds on behalf of the LCTCS Facilities Corporation, a nonprofit organization, for the following projects: New Workforce Training Center of Baton Rouge Community

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

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

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

Phase 3: On December 19, 2018, the Louisiana Local Government Environmental Facilities and Community Development Authority issued \$66,830,000 in revenue bonds on behalf of the LCTCS Facilities Corporation, a nonprofit organization, for Act 360 Phase 3 for the following projects: Delgado Charity School of Nursing and Allied Health Campus of Delgado Community College in New Orleans; Delgado Culinary

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

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

Additional Phases: Additional phases have not been scheduled.

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

Appropriation Dependency

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

23. COMMITMENTS

The LCTCS Facilities Corporation entered into contracts with a consulting firm to create and institute the program of construction projects established by Act 391, Act 360, and the CDBG CEA and provide administrative duties over the life of each program. The original contract for Act 391 was extended through May 2017 for a monthly fee of \$28,463. The contract was amended during 2017 with monthly fees ranging from \$3,333 to \$10,000 from July 2017 through project completion. The original contract for Act 360 expired in May 2017 with monthly fees of \$64,332 payable on the first day of each month. The contract was amended during 2017 with

monthly fees ranging from \$3,333 to \$30,000 from July 2017 through project completion.

The LCTCS Facilities Corporation has entered into a contract with an engineering firm to serve as the program manager for the construction projects established by Act 391 and Act 360 at the various campuses. The original Act 391 management contract expired on October 1, 2014 and was extended through December 31, 2016 for a fixed fee of \$450,750. The original contract associated with Act 360 was a fixed fee of \$11,436,840 paid in 60 equal installments beginning November 2014. The Act 360 contract was amended in 2017 with monthly fees ranging from \$45,714 to \$115,863 beginning in March 2017 through November 2019. The Act 360 contract was amended again in 2018 with monthly fees ranging from \$45,714 to \$254,684 beginning March 2018 through May 2021, and then again amended in 2020 to extend through November 2022.

The LCTCS Facilities Corporation has active construction projects at various campuses as of December 31, 2021. The LCTCS Facilities Corporation's commitments to contractors are as follows:

<u>Project</u>	<u>Incurred-to-Date</u>	<u>Remaining Commitment</u>
ACT 360		
Delgado Community College - Advanced Technology Center	\$10,050,219	\$43,618
Louisiana Delta Community College - Ruston Nursing, Welding & Workforce Training Campus	5,436,402	2,491,909
SOWELA Technical Community College Culinary, Gaming, and Hospitality Center	3,959,654	4,630,395
Delgado Community College - Culinary Center	105,325	353,075
Delgado Community College - Nursing & Allied Health	4,790,958	32,048,034
L.E. Fletcher Technical Community College Program Administration	465 959,578	2,535 195,609
	<u>\$25,302,601</u>	<u>\$39,765,175</u>

24. MAINTENANCE RESERVE REQUIREMENTS

In connection with the lease of facilities and equipment to the System under a facilities lease agreement, the terms of the cooperative endeavors call for a maintenance reserve fund to be established and payments to be made annually. The "Maintenance Reserve Fund Requirement" requires an amount reserved annually equal to a certain percentage of the hard cost (not including professional services and fees) that are payable from the proceeds of the bonds. The maintenance reserve requirements for the Facilities Corporations are as follows:

	Maintenance Reserve Requirement per Bond Covenant	Annual Required Payment per Facilities Lease Agreement	Maintenance Reserve Balance
BRCC Facilities Corporation	1.50%	\$750,000	\$2,386,369
Campus Facilities, Inc.	0.60%	280,000	1,836,737
Delta Campus Facilities Corporation	0.60%	225,000	2,181,923
LCTCS Facilities Corporation	0.60%	1,802,027	11,674,764
South Louisiana Facilities Corporation	1.50%	141,414	2,054,838
Total		<u>\$3,198,441</u>	<u>\$20,134,631</u>

25. DEBT REFUNDING

On September 1, 2021, Louisiana Local Government Environmental Facilities and Community Development Authority, on behalf of the LCTCS Facilities Corporation, issued \$150,770,000 of taxable revenue refunding bonds, LCTCS Taxable Revenue Refunding Series 2021, to advance refund \$128,330,000 of LCTCS Series 2014 revenue bonds to reduce total future debt service payments. The net bond proceeds of \$149,064,015 (after payment of \$1,710,528 in bond issuance cost and less \$583 in rounding proceeds) were deposited in an irrevocable trust with an escrow agent pursuant to an escrow deposit agreement dated September 1, 2021, to provide resources for the purpose of generating resources for all future debt service payments of the refunded revenue bonds. As a result, these revenue bonds are considered defeased and the liability for those bonds had been removed from LCTCS Facilities Corporation's long-term debt. The refunding resulted in reducing the total debt service payments by \$25,109,099 and gave LCTCS Facilities Corporation an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$20,723,004.

Of the debt considered defeased in substance, \$128,330,000 is outstanding as of June 30, 2022.

26. INSURANCE RECOVERIES

The total amount of insurance recoveries received during fiscal year 2022 included \$1,031,661 for Hurricane damage. This amount was recorded as other nonoperating revenue on the Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2022.

27. SUBSEQUENT EVENTS

In April 2021, the Board of Supervisors of the System approved the realignment of several campuses and instructional sites effective July 1, 2021, or as soon as possible thereafter, with all funds, obligations, property, personnel, programs, facilities, and functions. In the December 2, 2021 meeting, the Board of Trustees of the Southern Association of Colleges and Schools Commission on Colleges accepted the

prospectuses and realignments and authorized substantial change committee visits. Effective July 1, 2022, the realignments are as follows:

- The Central Louisiana Technical Community College - Lamar Salter Campus realigned with SOWELA Technical Community College.
- The Central Louisiana Technical Community College - Natchitoches Campus realigned with Bossier Parish Community College.
- The Central Louisiana Technical Community College - Sabine Valley Campus realigned with Bossier Parish Community College.

REQUIRED SUPPLEMENTARY INFORMATION

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

Schedule 1 presents the System's Net Pension Liability.

Schedule of the System's Contributions

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

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

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

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

**Schedules of Required Supplementary Information
Fiscal Year Ended June 30, 2022**

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

Schedule 1

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

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

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

Schedule of the System's Contributions

Schedule 2

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

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

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

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

Notes to Required Supplementary Information

Changes of Benefit Terms include:

LASERS

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

TRSL

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

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

TRSL

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

Changes to Covered Payroll:

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

Changes in Size or Composition of the Population:

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

**Schedule of the System's Proportionate Share
of the Total Collective OPEB Liability
Fiscal Year Ended June 30, 2022**

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

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

SUPPLEMENTARY INFORMATION SCHEDULES

Schedule of Per Diem Paid Board Members (Cash Basis)

Schedule 4 presents the per diem paid board members for the year ended June 30, 2022. Louisiana Revised Statute 17:3206 provides that appointed members of the Board of Directors shall be entitled to \$50 per day for attendance at meetings of the board, meetings of committees appointed by the board on which the member serves, or while on business as assigned by and on behalf of the board.

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

Schedule 5 presents a combining Schedule of Net Position, by College, for the year ended June 30, 2022.

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

Schedule 6 presents a combining Schedule of Revenues, Expenses, and Changes in Net Position, by College, for the year ended June 30, 2022.

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

Schedule 7 presents a combining Schedule of Cash Flows, by College, for the year ended June 30, 2022.

Combining Schedule of Net Position, by College, June 30, 2021

Schedule 8 presents a combining Schedule of Net Position, by College, for the year ended June 30, 2021.

Combining Schedule of Revenues, Expenses, and Changes in Net Position, by College, For the Year Ended June 30, 2021

Schedule 9 presents a combining Schedule of Revenues, Expenses, and Changes in Net Position, by College, for the year ended June 30, 2021.

Combining Schedule of Cash Flows, by College, For the Year Ended June 30, 2021

Schedule 10 presents a combining Schedule of Cash Flows, by College, for the year ended June 30, 2021.

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

**Schedule of Per Diem Paid Board Members (Cash Basis)
For the Fiscal Year Ended June 30, 2022**

	<u>Amount</u>
Bradford, Tari	\$100
Butler-Blucher, Cynthia	150
Carter, Helen	200
Couvillion, Joshua	350
Hardy, Rhoman	150
Hardy, Timothy	150
Jackson, Alterman	200
McConduit, Erika	100
Mitchell, Tara	200
Mount, Willie	250
Murphy, Michael	200
Pickron, Hayley	200
Price, Paul	350
Salathe, Stanton	250
Smith, Stephen	150
Spohn, Craig	150
Toups, Stephen	150
Turner, Joshua	150
Waguespack, Sarah	200
Total	<u><u>\$3,650</u></u>

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

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

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

(Continued)

Schedule 5

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

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

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

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

(Concluded)

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

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

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

(Continued)

Schedule 6

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

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

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

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

(Concluded)

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

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

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

(Continued)

Schedule 7

Delgado Community College	Elaine P. Nunez Community College	L.E. Fletcher Technical Community College	Louisiana Delta Community College	Northshore Technical Community College	Northwest Louisiana Technical Community College	River Parishes Community College	South Louisiana Community College
\$28,585,897	\$3,106,917	\$3,328,962	\$4,711,197	\$5,115,485	\$1,565,751	\$3,986,949	\$13,527,329
9,042,664	576,243	1,957,794	10,172,250	2,885,393	884,238	2,840,848	4,541,623
9,347					20		3,485
453,660	20,059	7,951	44,534	2,120		13,179	
(50,145,170)	(7,311,670)	(8,610,603)	(14,183,031)	(12,464,598)	(4,979,815)	(9,050,216)	(22,797,255)
(19,643,809)	(2,671,993)	(3,299,288)	(5,722,586)	(4,758,521)	(2,310,644)	(3,127,474)	(9,856,366)
(3,526,348)	(367,058)	(369,151)	(769,896)	(485,391)	(448,580)	(583,049)	(1,487,873)
(29,354,721)	(4,237,259)	(4,612,230)	(12,751,573)	(4,313,257)	(1,948,971)	(6,243,406)	(15,209,388)
(34,250,338)	(4,098,342)	(4,561,234)	(6,956,980)	(6,258,507)	(2,728,872)	(5,492,694)	(14,130,898)
(2,070,607)	(106,292)	(335,824)	(752,035)	(535,904)	(354,116)	(348,896)	(677,276)
<u>(100,899,425)</u>	<u>(15,089,395)</u>	<u>(16,493,623)</u>	<u>(26,208,120)</u>	<u>(20,813,180)</u>	<u>(10,320,989)</u>	<u>(18,004,759)</u>	<u>(46,086,619)</u>
29,203,894	4,897,063	7,123,483	8,649,963	7,920,041	4,984,299	6,522,209	15,907,837
36,648,732	5,172,674	5,085,575	12,599,419	6,453,705	3,254,503	3,820,329	15,726,271
60,000	30,000	128,000		100,000		180,000	280,000
36,212,631	5,498,604	5,906,778	10,419,883	9,961,538	2,870,968	6,412,306	17,736,528
1,563,139	301,892	595,589	739,597	603,682	231,621	678,500	1,583,012
(1,563,139)	(301,892)	(595,589)	(739,597)	(603,682)	(231,621)	(678,500)	(1,583,012)
40,322,536	5,982,486	4,163,581	9,762,480	5,392,772		3,164,196	14,456,259
(40,322,536)	(5,982,486)	(4,163,581)	(9,762,480)	(5,392,772)		(3,164,196)	(14,456,259)
1,900,335	(4,774)	282,182	136,516	25,719	72,692	67,248	59,768
<u>104,025,592</u>	<u>15,593,567</u>	<u>18,526,018</u>	<u>31,805,781</u>	<u>24,461,003</u>	<u>11,182,462</u>	<u>17,002,092</u>	<u>49,710,404</u>
45,000			356,058		134	7,650	1,580
(5,600,535)	(330,500)	(647,681)	(1,176,400)	(1,980,746)	(709,081)	(2,870,980)	(743,254)
(202,500)							(43,491)
(83,460)		(209)					(309)
		(59,796)					
<u>(5,841,495)</u>	<u>(330,500)</u>	<u>(707,686)</u>	<u>(820,342)</u>	<u>(1,980,746)</u>	<u>(708,947)</u>	<u>(2,863,330)</u>	<u>(785,474)</u>
314,164	31,060	19,080	3,903	28,330		26,383	85,852
(60,000)	(40,000)	(128,000)		(80,000)		(66,723)	28,096
254,164	(8,940)	(108,920)	3,903	(51,670)	0	(40,340)	(520,000)
(2,461,164)	164,732	1,215,789	4,781,222	1,615,407	152,526	(3,906,337)	(406,052)
28,521,047	6,217,660	11,225,450	13,417,604	10,726,728	4,180,280	13,559,561	2,432,259
<u>\$26,059,883</u>	<u>\$6,382,392</u>	<u>\$12,441,239</u>	<u>\$18,198,826</u>	<u>\$12,342,135</u>	<u>\$4,332,806</u>	<u>\$9,653,224</u>	<u>\$26,346,111</u>

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

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

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

(Continued)

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

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

(Continued)

Schedule 7

Delgado Community College	Elaine P. Nunez Community College	L.E. Fletcher Technical Community College	Louisiana Delta Community College	Northshore Technical Community College	Northwest Louisiana Technical Community College	River Parishes Community College	South Louisiana Community College
(\$88,040,255)	(\$14,748,633)	(\$15,897,060)	(\$23,572,134)	(\$20,034,702)	(\$8,049,722)	(\$18,301,546)	(\$41,620,444)
4,199,522 306,005	1,346,559 48,036 147	834,438 54,493	568,287 82,831	995,013 85,457	349,242 27,477	117,816 56,080	1,191,996 140,295
(5,049,766)	(136,247)	(319,332)	2,041,322	(18,613)	119,903	66,549	(1,509,798)
2,821	(85,570)	(41,257)	2,608	(25,823)		(17,198)	5,860
16,092,134 (4,203,657) 700,267 398,439 (74,938) 277,101 (53,712,928) 8,178,767 23,875,683 (3,848,620)	1,794,607 (76,846) (374,355) 29,350 1,876 22,766 (7,787,723) 1,250,146 4,202,206 (575,714)	2,168,505 (734,828) (234,781) (336,670) 7 108,015 (7,888,166) 1,608,569 4,628,151 (443,707)	3,412,271 (1,018,621) (1,235,845) 171,532 1,685 (19,807) (15,292,614) 1,248,170 8,283,619 (870,160)	4,928,521 (297,498) (740,506) (125,621) (13,574) 21,051 (15,398,768) 1,205,930 9,176,423 (570,470)	1,247,564 (445,678) (252,510) 6,228 (46,347) 6,755 (5,202,404) (429,191) 2,225,596 122,098	3,017,493 (4,181) (236,306) (176,945) 203,508 20,295 (9,117,265) 1,297,450 5,500,512 (431,021)	8,680,283 (619,788) 210,470 621,364 4,338 (125,042) (30,622,381) 2,781,369 18,217,103 (3,442,244)
<u>(\$100,899,425)</u>	<u>(\$15,089,395)</u>	<u>(\$16,493,623)</u>	<u>(\$26,208,120)</u>	<u>(\$20,813,180)</u>	<u>(\$10,320,989)</u>	<u>(\$18,004,759)</u>	<u>(\$46,086,619)</u>
\$25,382,650 677,233	\$6,287,921 94,471	\$12,441,239	\$18,198,826	\$12,282,135 60,000	\$4,332,806	\$9,473,203 180,021	\$26,346,111
<u>\$26,059,883</u>	<u>\$6,382,392</u>	<u>\$12,441,239</u>	<u>\$18,198,826</u>	<u>\$12,342,135</u>	<u>\$4,332,806</u>	<u>\$9,653,224</u>	<u>\$26,346,111</u>
	\$147	\$301,344		\$532,551		\$4,103,249	\$73,750
(\$25,157) (\$825,927)	(\$191,400) (\$87,116)	(\$15,623) (\$48,517)	(\$114,508)	(\$2,022) (\$166,539)		(\$36,708)	(\$13,076) (\$200,033)
\$384,850 \$3,040,999	\$1,168,417 \$35,691	\$13,383 \$6,650	\$1,179,803	\$11,681 \$83,550	\$293,023	\$19,751 \$4,737,999	\$907,917 \$4,194,986
\$19,928		\$16			\$15,826		

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

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

(Concluded)

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

**Combining Schedule of Net Position, by College
June 30, 2021**

	*	Baton Rouge Community College	Bossier Parish Community College	Central Louisiana Technical Community College	Delgado Community College
	Board Office				
ASSETS					
Current Assets					
Cash and cash equivalents	\$19,057,901	\$30,275,324	\$13,879,154	\$3,223,089	\$27,787,812
Receivables, net	4,542,480	1,604,623	2,190,904	561,658	4,020,642
Due from State Treasury	731,281				
Due from federal government	7,348,657	2,423,150	6,064,684	587,996	3,361,877
Due from LCTCS colleges/LCTCS	2,943,991	993,711	474,325	790,678	1,035,401
Inventories					
Prepaid expenses and advances		251,848		30,431	40,406
Other current assets					
Total current assets	<u>34,624,310</u>	<u>35,548,656</u>	<u>22,609,067</u>	<u>5,193,852</u>	<u>36,246,138</u>
Noncurrent Assets					
Restricted assets:					
Cash and cash equivalents				8,924	733,235
Investments		401,658	1,220,000	290,136	5,568,097
Receivables, net					
Other					
Capital assets, net	2,802,764	41,936,375	18,869,290	7,588,173	72,980,737
Other noncurrent assets					
Total noncurrent assets	<u>2,802,764</u>	<u>42,338,033</u>	<u>20,089,290</u>	<u>7,887,233</u>	<u>79,282,069</u>
Total Assets	<u>37,427,074</u>	<u>77,886,689</u>	<u>42,698,357</u>	<u>13,081,085</u>	<u>115,528,207</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	12,208,839	16,976,533	13,196,272	7,513,170	36,537,473
Deferred outflows related to OPEB	2,668,476	2,719,603	2,305,393	2,504,276	6,600,804
Total deferred outflows of resources	<u>14,877,315</u>	<u>19,696,136</u>	<u>15,501,665</u>	<u>10,017,446</u>	<u>43,138,277</u>
LIABILITIES					
Current Liabilities					
Accounts payable and accruals	13,138,041	4,825,717	3,666,605	1,031,121	4,288,588
Due to federal government		1,500	145	7,215	
Due to LCTCS colleges/LCTCS	6,989,167	499,602	367,831	152,725	631,005
Unearned revenues		1,314,424	1,099,535	423,107	3,374,519
Amounts held in custody for others		59,501	543,725	54,578	287,801
Compensated absences payable	87,132	135,242	130,261	56,355	293,416
Capital lease obligations					100,000
OPEB liability	234,924	908,486	500,777	997,924	2,413,283
Bonds payable, net					
Other current liabilities					21,803
Total current liabilities	<u>20,449,264</u>	<u>7,744,472</u>	<u>6,308,879</u>	<u>2,723,025</u>	<u>11,410,415</u>
Noncurrent Liabilities					
Compensated absences payable	2,371,997	3,219,775	2,116,572	767,750	4,780,833
Capital lease obligations					1,895,000
Net pension liability	34,525,266	56,743,634	43,503,105	19,789,274	106,556,798
OPEB liability	12,621,019	31,968,224	22,577,242	18,751,393	71,243,177
Bonds payable, net					
Total noncurrent liabilities	<u>49,518,282</u>	<u>91,931,633</u>	<u>68,196,919</u>	<u>39,308,417</u>	<u>184,475,808</u>
Total Liabilities	<u>69,967,546</u>	<u>99,676,105</u>	<u>74,505,798</u>	<u>42,031,442</u>	<u>195,886,223</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	765,580	3,633,460	1,737,314	328,599	15,795,264
Deferred inflows related to OPEB	1,648,250	4,464,341	3,556,317	3,615,269	8,635,928
Total deferred inflows of resources	<u>2,413,830</u>	<u>8,097,801</u>	<u>5,293,631</u>	<u>3,943,868</u>	<u>24,431,192</u>
NET POSITION					
Net investment in capital assets	2,802,764	41,936,375	18,869,290	7,588,173	70,985,737
Restricted:					
Nonexpendable		270,000	1,220,000	290,136	2,709,515
Expendable	822,376	14,345,220	9,451,305	4,113,416	27,917,202
Unrestricted	<u>(23,702,127)</u>	<u>(66,742,676)</u>	<u>(51,140,002)</u>	<u>(34,868,504)</u>	<u>(163,263,385)</u>
Total Net Position	<u>(\$20,076,987)</u>	<u>(\$10,191,081)</u>	<u>(\$21,599,407)</u>	<u>(\$22,876,779)</u>	<u>(\$61,650,931)</u>

* Effective July 1, 2020, the LCTCS Online was combined with the Board Office. The beginning balances for the Board office for the fiscal year ended June 30, 2021 have been restated to reflect this change.

(Continued)

Schedule 8

Elaine P. Nunez Community College	L.E. Fletcher Technical Community College	Louisiana Delta Community College	Northshore Technical Community College	Northwest Louisiana Technical Community College	River Parishes Community College	South Louisiana Community College	SOWELA Technical Community College
\$6,075,173	\$11,225,450	\$13,417,604	\$10,686,728	\$4,190,320	\$13,499,561	\$23,673,852	\$16,476,594
706,566	767,583	2,647,722	367,419	285,599	1,871,470	552,166	11,417,492
751,717	78,948	3,741,289	452,213	11,735	2,144,277	4,829,281	2,650,308
211,882	296,240	858,899	613,600	289,018	483,803	776,451	553,739
		9,830					
24,526	16,551		9,764	5,527	570	17,973	
	3,025						
<u>7,769,864</u>	<u>12,387,797</u>	<u>20,675,344</u>	<u>12,129,724</u>	<u>4,782,199</u>	<u>17,999,681</u>	<u>29,849,723</u>	<u>31,098,133</u>
142,487			40,000		60,000	240,000	105,558
586,706	459,105	831,512	851,479		116,404	1,939,612	1,299,882
37,120,364	18,515,504	7,443,743	9,050,381	4,055,206	3,850,749	11,403,574	45,288,005
<u>37,849,557</u>	<u>18,974,609</u>	<u>8,275,255</u>	<u>9,941,860</u>	<u>4,055,206</u>	<u>4,027,153</u>	<u>13,583,186</u>	<u>46,693,445</u>
<u>45,619,421</u>	<u>31,362,406</u>	<u>28,950,599</u>	<u>22,071,584</u>	<u>8,837,405</u>	<u>22,026,834</u>	<u>43,432,909</u>	<u>77,791,578</u>
4,545,951	7,249,697	9,239,146	12,080,637	3,513,890	8,648,675	21,724,580	10,061,536
2,377,999	1,336,475	1,860,806	1,561,031	1,425,543	1,789,853	6,242,810	1,904,694
<u>6,923,950</u>	<u>8,586,172</u>	<u>11,099,952</u>	<u>13,641,668</u>	<u>4,939,433</u>	<u>10,438,528</u>	<u>27,967,390</u>	<u>11,966,230</u>
959,101	1,894,896	2,614,761	1,545,445	239,193	1,228,539	3,929,932	1,630,851
			81,260	333,905			
128,175	119,111	248,442	181,322	56,602	164,114	295,791	190,903
278,201	583,899	741,288	497,063	232,286	345,925	1,515,814	516,953
20,091	17,365	49,740	39,992	47,382	172,164	71,767	33,447
90,775	59,781	84,949	43,254	60,780	42,183	143,851	76,506
368,259	307,203	763,457	299,621	568,464	231,974	1,595,943	510,721
<u>1,844,602</u>	<u>2,982,255</u>	<u>4,502,637</u>	<u>2,687,957</u>	<u>1,538,612</u>	<u>2,184,899</u>	<u>7,553,098</u>	<u>2,959,381</u>
671,368	722,592	1,076,487	1,177,908	452,038	813,151	2,169,576	1,224,309
14,684,681	16,177,291	28,432,825	28,977,720	9,721,649	17,900,571	54,808,788	27,092,331
11,708,859	9,641,563	19,218,410	11,180,199	9,399,001	8,637,582	37,106,900	15,407,064
<u>27,064,908</u>	<u>26,541,446</u>	<u>48,727,722</u>	<u>41,335,827</u>	<u>19,572,688</u>	<u>27,351,304</u>	<u>94,085,264</u>	<u>43,723,704</u>
<u>28,909,510</u>	<u>29,523,701</u>	<u>53,230,359</u>	<u>44,023,784</u>	<u>21,111,300</u>	<u>29,536,203</u>	<u>101,638,362</u>	<u>46,683,085</u>
778,490	779,784	1,352,250	571,172	1,181,202	326,741	1,447,735	1,591,768
1,341,154	1,073,968	2,928,421	1,464,238	2,065,955	1,082,780	8,004,584	2,263,960
<u>2,119,644</u>	<u>1,853,752</u>	<u>4,280,671</u>	<u>2,035,410</u>	<u>3,247,157</u>	<u>1,409,521</u>	<u>9,452,319</u>	<u>3,855,728</u>
37,120,364	18,515,504	7,443,743	9,050,381	4,055,206	3,850,749	11,403,574	45,288,005
580,000	381,417	565,206	720,000		170,000	1,890,000	1,056,328
5,226,075	4,022,807	7,821,904	5,730,320	2,220,187	7,979,578	11,235,694	16,756,596
(21,412,222)	(14,348,603)	(33,291,332)	(25,846,643)	(16,857,012)	(10,480,689)	(64,219,650)	(23,881,934)
<u>\$21,514,217</u>	<u>\$8,571,125</u>	<u>(\$17,460,479)</u>	<u>(\$10,345,942)</u>	<u>(\$10,581,619)</u>	<u>\$1,519,638</u>	<u>(\$39,690,382)</u>	<u>\$39,218,995</u>

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

**Combining Schedule of Net Position, by College
June 30, 2021**

	Facilities Corporations	System Eliminating Entries	Total Per System
ASSETS			
Current Assets			
Cash and cash equivalents			\$193,468,562
Receivables, net			31,536,324
Due from State Treasury			731,281
Due from federal government			34,446,132
Due from LCTCS colleges/LCTCS		(\$10,321,738)	0
Inventories			9,830
Prepaid expenses and advances			397,596
Other current assets			3,025
Total current assets	<u>0</u>	<u>(10,321,738)</u>	<u>260,592,750</u>
Noncurrent Assets			
Restricted assets:			
Cash and cash equivalents	\$43,574,447		44,904,651
Investments	72,475,409		86,040,000
Receivables, net	1,741,659		1,741,659
Other	571,502		571,502
Capital assets, net	417,894,379		698,799,244
Other noncurrent assets	4,487,620		4,487,620
Total noncurrent assets	<u>540,745,016</u>	<u>0</u>	<u>836,544,676</u>
Total Assets	<u>540,745,016</u>	<u>(10,321,738)</u>	<u>1,097,137,426</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions			163,496,399
Deferred outflows related to OPEB			35,297,763
Total deferred outflows of resources	<u>0</u>	<u>0</u>	<u>198,794,162</u>
LIABILITIES			
Current Liabilities			
Accounts payable and accruals	841,194		41,833,984
Due to federal government			424,025
Due to LCTCS colleges/LCTCS	296,948	(10,321,738)	0
Unearned revenues			10,923,014
Amounts held in custody for others			1,397,553
Compensated absences payable			1,304,485
Capital lease obligations			100,000
OPEB liability			9,701,036
Bonds payable, net	21,920,000		21,920,000
Other current liabilities	4,805,868		4,827,671
Total current liabilities	<u>27,864,010</u>	<u>(10,321,738)</u>	<u>92,431,768</u>
Noncurrent Liabilities			
Compensated absences payable			21,564,356
Capital lease obligations			1,895,000
Net pension liability			458,913,933
OPEB liability			279,460,633
Bonds payable, net	432,707,457		432,707,457
Total noncurrent liabilities	<u>432,707,457</u>	<u>0</u>	<u>1,194,541,379</u>
Total Liabilities	<u>460,571,467</u>	<u>(10,321,738)</u>	<u>1,286,973,147</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions			30,289,359
Deferred inflows related to OPEB			42,145,165
Total deferred inflows of resources	<u>0</u>	<u>0</u>	<u>72,434,524</u>
NET POSITION			
Net investment in capital assets	(31,252,930)		247,656,935
Restricted:			
Nonexpendable			9,852,602
Expendable	111,426,479		229,069,159
Unrestricted			(550,054,779)
Total Net Position	<u>\$80,173,549</u>	<u>\$0</u>	<u>(\$63,476,083)</u>

(Concluded)

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

**Combining Schedule of Revenues, Expenses,
and Changes in Net Position, by College
For the Year Ended June 30, 2021**

	*	Baton Rouge Community College	Bossier Parish Community College	Central Louisiana Technical Community College	Delgado Community College
	Board Office				
OPERATING REVENUES					
Student tuition and fees		\$26,394,642	\$19,008,727	\$7,560,232	\$49,188,022
Less scholarship allowances		<u>(13,268,498)</u>	<u>(6,702,520)</u>	<u>(3,595,750)</u>	<u>(18,951,110)</u>
Net student tuition and fees	0	13,126,144	12,306,207	3,964,482	30,236,912
Federal grants and contracts	\$29,707,126	2,802,032	1,378,456	1,495,282	4,872,953
State and local grants and contracts	7,492,287	811,171	1,105,085	618,865	3,202,797
Nongovernmental grants and contracts		32,814	91,260	384,249	1,823,139
Sales and services of educational departments			58,982		
Interagency revenue	8,946,551	207,773	78,039	7,257	215,657
Auxiliary enterprise revenues		56,421		109,094	882,617
Other operating revenues	30,586	48,940	37,984	1,045	123,045
Gain on impairment of capital assets					
Total operating revenues	<u>46,176,550</u>	<u>17,085,295</u>	<u>15,056,013</u>	<u>6,580,274</u>	<u>41,357,120</u>
OPERATING EXPENSES					
Educational and general:					
Instruction		17,714,436	17,278,638	7,709,145	40,686,673
Public service			335,652		
Academic support	48,896,260	4,875,169	3,288,993	1,155,706	12,056,652
Student services	756,525	6,444,819	3,655,183	1,374,699	6,025,960
Institutional support	29,612,258	9,105,231	5,862,429	3,044,483	13,953,841
Operations and maintenance of plant		186,655	3,131,162	1,504,016	13,978,709
Depreciation	2,242,567	1,696,358	1,360,802	688,089	3,873,180
Scholarships and fellowships		9,988,159	12,076,306	3,249,999	30,484,832
Auxiliary enterprises				142,359	826,884
Interagency expense	759,575	1,417,856	1,008,095	326,518	2,085,751
Other operating expenses			61,280		
Loss on impairment of capital assets					
Total operating expenses	<u>82,453,840</u>	<u>57,761,659</u>	<u>48,058,540</u>	<u>19,195,014</u>	<u>123,972,482</u>
OPERATING LOSS	<u>(36,277,290)</u>	<u>(40,676,364)</u>	<u>(33,002,527)</u>	<u>(12,614,740)</u>	<u>(82,615,362)</u>
NONOPERATING REVENUES (Expenses)					
State appropriations	23,249,620	13,191,699	8,946,865	5,101,469	22,146,903
Gifts			39,805	135,452	
Federal nonoperating revenues		16,038,084	14,711,451	4,868,151	35,398,168
CARES Act revenues	9,081,425	13,855,751	14,447,583	4,392,231	22,480,974
Net investment income (loss)	25,927	23,874	16,449	502	1,037,889
Interest expense					(94,094)
Other nonoperating revenues (expenses)	111,087	2,837,162	768,602	719,297	4,311,997
Net nonoperating revenues (expenses)	<u>32,468,059</u>	<u>45,946,570</u>	<u>38,930,755</u>	<u>15,217,102</u>	<u>85,281,837</u>
Income (loss) before other revenues and additions	<u>(3,809,231)</u>	<u>5,270,206</u>	<u>5,928,228</u>	<u>2,602,362</u>	<u>2,666,475</u>
Capital appropriations		523,503			864,283
Capital grants and gifts					
Additions to permanent endowments			120,000		60,000
Interagency transfers					
Increase (decrease) in net position	<u>(3,809,231)</u>	<u>5,793,709</u>	<u>6,048,228</u>	<u>2,602,362</u>	<u>3,590,758</u>
NET POSITION - BEGINNING OF YEAR (restated)	<u>(16,267,756)</u>	<u>(15,984,790)</u>	<u>(27,647,635)</u>	<u>(25,479,141)</u>	<u>(65,241,689)</u>
NET POSITION - END OF YEAR	<u>(\$20,076,987)</u>	<u>(\$10,191,081)</u>	<u>(\$21,599,407)</u>	<u>(\$22,876,779)</u>	<u>(\$61,650,931)</u>

* Effective July 1, 2020, the LCTCS Online was combined with the Board Office. The beginning balances for the Board office for the fiscal year ended June 30, 2021 have been restated to reflect this change.

(Continued)

Schedule 9

Elaine P. Nunez Community College	L.E. Fletcher Technical Community College	Louisiana Delta Community College	Northshore Technical Community College	Northwest Louisiana Technical Community College	River Parishes Community College	South Louisiana Community College	SOWELA Technical Community College
\$7,984,749	\$8,023,995	\$15,400,691	\$11,044,933	\$3,238,021	\$9,827,588	\$27,189,767	\$11,376,289
<u>(3,780,453)</u>	<u>(4,084,380)</u>	<u>(9,171,495)</u>	<u>(5,445,831)</u>	<u>(2,043,758)</u>	<u>(4,304,711)</u>	<u>(12,698,074)</u>	<u>(5,437,710)</u>
4,204,296	3,939,615	6,229,196	5,599,102	1,194,263	5,522,877	14,491,693	5,938,579
365,164	837,614	5,355,356	2,419,265	704,248	835,042	5,490,340	825,721
129,232	747,597	3,368,090	608,319	256,110	126,737	885,166	
7,500		65,500	28,750		138,372		27,400
		3,379		600		1,487	17,668
219	250,000	10,800	12,208	110	10,000	149,686	2,711
21,978	11,249	38,205	982		12,732		
133,040	84,480	29,686	42,054		1,690	646	64,966
							<u>12,405,115</u>
<u>4,861,429</u>	<u>5,870,555</u>	<u>15,100,212</u>	<u>8,710,680</u>	<u>2,155,331</u>	<u>6,647,450</u>	<u>21,019,018</u>	<u>19,282,160</u>
5,637,324	8,503,864	10,908,431	12,572,710	3,380,298	8,105,395	20,400,699	11,346,035
						2,839,706	
1,492,470	1,630,112	3,607,063	2,510,335	754	1,376,373	5,568,702	2,315,538
1,428,331	890,985	2,276,871	2,430,650	731,098	3,108,552	5,796,951	2,083,535
3,189,338	3,551,088	8,749,507	4,606,622	2,184,619	3,161,692	7,737,264	5,475,854
1,615,151	1,063,867	2,754,637	1,654,478	956,466	2,106,580	6,234,602	2,576,578
1,289,529	736,907	509,260	651,958	287,652	123,567	1,376,783	2,228,585
3,931,847	2,508,362	3,106,900	4,027,361	1,631,394	2,674,316	7,202,609	3,682,812
93,186		73,899	29				
306,461	376,141	651,778	493,467	281,588	591,719	962,984	629,078
<u>18,983,637</u>	<u>19,261,326</u>	<u>32,638,346</u>	<u>28,947,610</u>	<u>9,453,869</u>	<u>21,248,194</u>	<u>58,120,300</u>	<u>30,338,015</u>
<u>(14,122,208)</u>	<u>(13,390,771)</u>	<u>(17,538,134)</u>	<u>(20,236,930)</u>	<u>(7,298,538)</u>	<u>(14,600,744)</u>	<u>(37,101,282)</u>	<u>(11,055,855)</u>
3,478,591	4,076,775	7,131,931	5,478,256	3,512,971	5,069,902	12,198,491	8,884,204
	363,182	3,750	34,133	1,082			1,667,921
5,749,098	5,327,033	9,576,483	6,882,744	2,769,764	4,143,237	15,052,660	6,084,649
2,450,042	3,430,289	7,320,265	4,697,327	2,062,010	2,433,178	10,765,194	6,602,655
62,010	46,919	154,045	164,432		17,950	289,100	289,571
<u>611,330</u>	<u>781,245</u>	<u>1,763,464</u>	<u>834,446</u>	<u>188,059</u>	<u>531,083</u>	<u>1,015,652</u>	<u>1,728,894</u>
<u>12,351,071</u>	<u>14,025,443</u>	<u>25,949,938</u>	<u>18,091,338</u>	<u>8,533,886</u>	<u>12,195,350</u>	<u>39,321,097</u>	<u>25,257,894</u>
<u>(1,771,137)</u>	<u>634,672</u>	<u>8,411,804</u>	<u>(2,145,592)</u>	<u>1,235,348</u>	<u>(2,405,394)</u>	<u>2,219,815</u>	<u>14,202,039</u>
45,968	1,767,000						237,555
134,627	111,774		147,355		150,000	10,000	153,432
40,000	151,417	6,702	70,000		60,000	240,000	8,300
	4,670,327					(4,670,327)	
<u>(1,550,542)</u>	<u>7,335,190</u>	<u>8,418,506</u>	<u>(1,928,237)</u>	<u>1,235,348</u>	<u>(2,195,394)</u>	<u>(2,200,512)</u>	<u>14,601,326</u>
23,064,759	1,235,935	(25,878,985)	(8,417,705)	(11,816,967)	3,715,032	(37,489,870)	24,617,669
<u>\$21,514,217</u>	<u>\$8,571,125</u>	<u>(\$17,460,479)</u>	<u>(\$10,345,942)</u>	<u>(\$10,581,619)</u>	<u>\$1,519,638</u>	<u>(\$39,690,382)</u>	<u>\$39,218,995</u>

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

**Combining Schedule of Revenues, Expenses,
and Changes in Net Position, by College
For the Year Ended June 30, 2021**

	Facilities Corporations	System Eliminating Entries	Total Per System
OPERATING REVENUES			
Student tuition and fees			\$196,237,656
Less scholarship allowances			(89,484,290)
Net student tuition and fees	0	0	106,753,366
Federal grants and contracts		(\$13,030,219)	44,058,380
State and local grants and contracts		(3,825,065)	15,526,391
Nongovernmental grants and contracts			2,598,984
Sales and services of educational departments			82,116
Interagency revenue		(9,891,011)	-
Auxiliary enterprise revenues			1,133,278
Other operating revenues			598,162
Gain on impairment of capital assets			12,405,115
Total operating revenues	0	(26,746,295)	183,155,792
OPERATING EXPENSES			
Educational and general:			
Instruction			164,243,648
Public service			3,175,358
Academic support		(32,813,680)	55,960,447
Student services			37,004,159
Institutional support			100,234,226
Operations and maintenance of plant			44,282,532
Depreciation	\$15,994,177		33,059,414
Scholarships and fellowships			84,564,897
Auxiliary enterprises			1,136,357
Interagency expense		(9,891,011)	-
Other operating expenses			61,280
Loss on impairment of capital assets	7,878,197		7,878,197
Total operating expenses	23,872,374	(42,704,691)	531,600,515
OPERATING LOSS	(23,872,374)	15,958,396	(348,444,723)
NONOPERATING REVENUES (Expenses)			
State appropriations			122,467,677
Gifts			2,245,325
Federal nonoperating revenues			126,601,522
CARES Act revenues		(8,396,711)	95,622,213
Net investment income (loss)	2,165,008		4,293,676
Interest expense	(13,634,238)		(13,728,332)
Other nonoperating revenues (expenses)	(4,861,289)	(7,561,685)	3,779,344
Net nonoperating revenues (expenses)	(16,330,519)	(15,958,396)	341,281,425
Income (loss) before other revenues and additions	(40,202,893)	0	(7,163,298)
Capital appropriations	39,308,080		42,746,389
Capital grants and gifts	84,139		791,327
Additions to permanent endowments			756,419
Interagency transfers			-
Increase (decrease) in net position	(810,674)	0	37,130,837
NET POSITION - BEGINNING OF YEAR (restated)	80,984,223		(100,606,920)
NET POSITION - END OF YEAR	\$80,173,549	\$0	(\$63,476,083)

(Concluded)

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

**Combining Schedule of Cash Flows, by College
For the Year Ended June 30, 2021**

	*	Baton Rouge Community College	Bossier Parish Community College	Central Louisiana Technical Community College	Delgado Community College
	Board Office				
CASH FLOWS FROM OPERATING ACTIVITIES:					
Tuition and fees		\$13,344,246	\$13,890,196	\$4,075,632	\$30,427,393
Grants and contracts	\$33,776,314	3,916,054	3,451,172	2,003,889	11,113,366
Sales and services of educational departments			58,982		
Auxiliary enterprise receipts		56,421		109,094	890,997
Payments for employee compensation	(14,615,317)	(24,543,134)	(18,946,083)	(8,020,277)	(52,527,159)
Payments for benefits	(5,391,359)	(10,091,277)	(7,545,233)	(3,830,134)	(19,899,180)
Payments for utilities		(2,455,791)	(1,005,565)	(484,368)	(2,816,089)
Payments for supplies and services	(54,756,108)	(7,280,854)	(6,397,136)	(3,040,452)	(18,668,234)
Payments for scholarships and fellowships		(9,853,499)	(12,076,306)	(3,249,999)	(30,484,832)
Other receipts (payments)	10,786,077	(898,628)	(642,177)	(329,228)	(1,655,155)
Net cash provided (used) by operating activities	(30,200,393)	(37,806,462)	(29,212,150)	(12,765,843)	(83,618,893)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
State appropriations	23,249,620	13,178,714	8,940,278	5,325,965	22,129,512
Gifts and grants for other than capital purposes		18,448,363	15,299,371	5,650,184	39,037,952
Private gifts for endowment purposes			120,000		60,000
CARES Act receipts	5,619,680	14,148,852	10,570,459	4,905,603	24,915,447
TOPS receipts		1,529,234	1,607,013	345,098	1,554,711
TOPS disbursements		(1,526,890)	(1,607,013)	(345,098)	(1,554,711)
FEMA receipts					
Direct lending receipts		15,519,583	21,601,259	3,547,384	44,977,550
Direct lending disbursements		(15,519,583)	(21,601,259)	(3,547,384)	(44,977,550)
Other receipts (payments)	4,024		119,084	5,361	356,078
Net cash provided (used) by noncapital financing activities	28,873,324	45,778,273	35,049,192	15,887,113	86,498,989
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital appropriations received					
Capital grants and gifts received					
Proceeds from sale of capital assets		250,000			
Purchases of capital assets	(473,479)	(290,645)	(355,220)	(970,321)	(3,075,274)
Principal paid on capital debt and leases					(197,500)
Interest paid on capital debt and leases					(95,678)
Other uses					
Net cash used by capital and related financing activities	(473,479)	(40,645)	(355,220)	(970,321)	(3,368,452)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from sales and maturities of investments					
Interest received on investments	25,927	23,875	16,449	502	235,077
Purchase of investments			(260,000)		(60,000)
Net cash provided (used) by investing activities	25,927	23,875	(243,551)	502	175,077
Net Increase (decrease) in Cash and Cash Equivalents	(1,774,621)	7,955,041	5,238,271	2,151,451	(313,279)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (Restated)	20,832,522	22,320,283	8,640,883	1,080,562	28,834,326
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$19,057,901	\$30,275,324	\$13,879,154	\$3,232,013	\$28,521,047

* Effective July 1, 2020, the LCTCS Online was combined with the Board Office. The beginning balances for the Board office for the fiscal year ended June 30, 2021 have been restated to reflect this change.

(Continued)

Schedule 10

Elaine P. Nunez Community College	L.E. Fletcher Technical Community College	Louisiana Delta Community College	Northshore Technical Community College	Northwest Louisiana Technical Community College	River Parishes Community College	South Louisiana Community College
\$4,161,778	\$4,164,565	\$5,857,323	\$5,892,265	\$1,256,628	\$6,917,204	\$14,254,106
943,996	1,264,162	6,698,171	3,766,361	1,230,190	1,150,535	8,705,327
		3,379		600		1,487
21,978	11,249	38,205	982		12,732	
(6,667,346)	(7,281,430)	(12,844,138)	(11,870,144)	(5,045,776)	(7,942,222)	(22,231,183)
(2,615,364)	(3,098,747)	(5,544,918)	(4,960,686)	(2,266,634)	(3,024,538)	(10,101,907)
(302,366)	(354,827)	(655,027)	(384,723)	(390,731)	(478,287)	(1,285,571)
(2,765,822)	(4,134,721)	(9,645,853)	(4,017,581)	(1,377,398)	(3,993,429)	(13,921,033)
(3,931,847)	(2,508,362)	(3,106,900)	(4,027,361)	(1,631,394)	(2,674,316)	(7,202,609)
(155,499)	(28,891)	(520,256)	(439,753)	(310,963)	(600,620)	(832,509)
<u>(11,310,492)</u>	<u>(11,967,002)</u>	<u>(19,720,014)</u>	<u>(16,040,640)</u>	<u>(8,535,478)</u>	<u>(10,632,941)</u>	<u>(32,613,892)</u>
3,527,342	4,073,783	7,124,929	5,648,758	3,743,488	5,065,708	12,185,507
6,501,048	6,287,132	11,152,082	7,629,281	3,002,427	4,552,139	15,375,591
40,000	151,417	6,702	70,000		60,000	240,000
3,023,235	3,670,784	7,122,896	5,831,865	3,166,110	2,314,584	10,618,596
347,090	588,424	746,862	616,238	208,311	781,503	1,492,664
(347,090)	(588,424)	(746,862)	(616,238)	(208,311)	(781,503)	(1,492,664)
			10,564			
7,298,152	5,356,286	9,803,244	6,773,703		4,410,305	14,477,790
(7,298,152)	(5,356,286)	(9,803,244)	(6,773,703)		(4,410,305)	(14,477,790)
97,731	27,596	103,953	20,737	15,050	62,866	145,783
<u>13,189,356</u>	<u>14,210,712</u>	<u>25,510,562</u>	<u>19,211,205</u>	<u>9,927,075</u>	<u>12,055,297</u>	<u>38,565,477</u>
	356,250			800		7,795
(170,714)	(421,873)	(1,175,548)	(1,551,094)	(200,266)	(6,160)	(1,401,319)
<u>(170,714)</u>	<u>(65,623)</u>	<u>(1,175,548)</u>	<u>(1,551,094)</u>	<u>(199,466)</u>	<u>(6,160)</u>	<u>(1,393,524)</u>
(294,722)						33,617
62,010	7,138	20,617	164,432		17,950	10,310
	(151,417)		(181,582)		(116,404)	(350,000)
<u>(232,712)</u>	<u>(144,279)</u>	<u>20,617</u>	<u>(17,150)</u>	<u>0</u>	<u>(98,454)</u>	<u>(306,073)</u>
1,475,438	2,033,808	4,635,617	1,602,321	1,192,131	1,317,742	4,251,988
4,742,222	9,191,642	8,781,987	9,124,407	2,998,189	12,241,819	19,661,864
<u>\$6,217,660</u>	<u>\$11,225,450</u>	<u>\$13,417,604</u>	<u>\$10,726,728</u>	<u>\$4,190,320</u>	<u>\$13,559,561</u>	<u>\$23,913,852</u>

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

**Combining Schedule of Cash Flows, by College
For the Year Ended June 30, 2021**

	SOWELA Technical Community College	Facilities Corporations	System Eliminating Entries	Total Per System
CASH FLOWS FROM OPERATING ACTIVITIES:				
Tuition and fees	\$6,041,508			\$110,282,844
Grants and contracts	1,126,893		(\$16,855,284)	62,291,146
Sales and services of educational departments	17,668			82,116
Auxiliary enterprise receipts				1,141,658
Payments for employee compensation	(12,714,415)			(205,248,624)
Payments for benefits	(5,068,410)			(83,438,387)
Payments for utilities	(608,547)			(11,221,892)
Payments for supplies and services	(4,596,149)		32,813,680	(101,781,090)
Payments for scholarships and fellowships	(3,682,812)			(84,430,237)
Other receipts (payments)	(487,770)			3,884,628
Net cash provided (used) by operating activities	(19,972,034)	0	15,958,396	(308,437,838)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
State appropriations	8,883,268			123,076,872
Gifts and grants for other than capital purposes	9,299,274		(15,958,396)	126,276,448
Private gifts for endowment purposes	8,300			756,419
CARES Act receipts	4,703,305			100,611,416
TOPS receipts	1,608,101			11,425,249
TOPS disbursements	(1,608,101)			(11,422,905)
FEMA receipts				10,564
Direct lending receipts				133,765,256
Direct lending disbursements				(133,765,256)
Other receipts (payments)	(78,006)	(\$1,474,857)		(594,600)
Net cash provided (used) by noncapital financing activities	22,816,141	(1,474,857)	(15,958,396)	350,139,463
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital appropriations received		39,308,080		39,308,080
Capital grants and gifts received		1,217,882		1,217,882
Proceeds from sale of capital assets	2,071			616,916
Purchases of capital assets	(1,346,572)	(11,967,140)		(23,405,625)
Principal paid on capital debt and leases		(16,535,000)		(16,732,500)
Interest paid on capital debt and leases		(19,368,832)		(19,464,510)
Other uses		(2,836,713)		(2,836,713)
Net cash used by capital and related financing activities	(1,344,501)	(10,181,723)	0	(21,296,470)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sales and maturities of investments		14,543,733		14,282,628
Interest received on investments	18,839	1,855,299		2,458,425
Purchase of investments	(11,502)	(1,341,001)		(2,471,906)
Net cash provided (used) by investing activities	7,337	15,058,031	0	14,269,147
Net Increase (decrease) in Cash and Cash Equivalents	1,506,943	3,401,451	0	34,674,302
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	15,075,209	40,172,996		203,698,911
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$16,582,152	\$43,574,447	\$0	\$238,373,213

(Continued)

**LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA
Combining Schedule of Cash Flows, by College
For the Year Ended June 30, 2021**

	Board Office	Baton Rouge Community College	Bossier Parish Community College	Central Louisiana Technical Community College	Delgado Community College
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	(\$36,277,290)	(\$40,676,364)	(\$33,002,527)	(\$12,614,740)	(\$82,615,362)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation/amortization expense	2,242,567	1,696,358	1,360,802	688,089	3,873,180
Nonemployer contributing entity revenue	107,063	176,382	135,004	67,288	316,135
Noncash capital expense		266,170			
Impairment of capital assets before insurance recoveries					
Noncash insurance recoveries					
Changes in assets, deferred outflows, liabilities, and deferred inflows:					
(Increase) decrease in accounts receivable, net	(2,227,261)	437,903	3,127,026	(603,350)	1,903,307
(Increase) decrease in due from other funds	16,568,558				
(Increase) decrease in inventories					
(Increase) decrease in prepaid expenses and advances		(73,210)		(6,097)	(7,405)
(Increase) decrease in deferred outflows related to pensions	(2,079,721)	(6,122,153)	(3,095,140)	(1,694,213)	(10,180,449)
(Increase) decrease in deferred outflows related to OPEB	(548,475)	(1,139,944)	(611,765)	(838,242)	(2,579,957)
Increase (decrease) in accounts payable and accrued liabilities	(12,049,978)	1,950,509	426,973	(38,074)	(940,206)
Increase (decrease) in unearned revenue		56,015	(32,292)	107,171	(457,593)
Increase (decrease) in amounts held in custody for others		24,547	142,170	(13,873)	1,834
Increase (decrease) in compensated absences	148,859	58,719	(173,516)	(52,964)	19,548
Increase (decrease) in net pension liability	4,575,062	9,451,105	4,774,880	4,006,987	18,316,738
Increase (decrease) in total OPEB liability	1,617,359	1,583,347	803,260	548,686	3,948,971
Increase (decrease) in other liabilities			(144)		
Increase (decrease) in deferred inflows related to pensions	(1,736,958)	(4,058,003)	(2,365,187)	(1,159,099)	(11,718,172)
Increase (decrease) in deferred inflows related to OPEB	(540,178)	(1,437,843)	(701,694)	(1,163,412)	(3,499,462)
Net cash provided (used) by operating activities:	(\$30,200,393)	(\$37,806,462)	(\$29,212,150)	(\$12,765,843)	(\$83,618,893)
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION:					
Cash and cash equivalents classified as current assets	\$19,057,901	\$30,275,324	\$13,879,154	\$3,223,089	\$27,787,812
Cash and cash equivalents classified as noncurrent assets				8,924	733,235
Cash and cash equivalents at the end of the year	\$19,057,901	\$30,275,324	\$13,879,154	\$3,232,013	\$28,521,047
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES					
Noncash capital appropriation, grant, and/or gift of capital assets		\$523,503			\$864,283
Noncash grants and gifts					
Noncash insurance recoveries used for construction in progress					
Gain (loss) on disposal of capital assets		(\$1,188)	(\$33,601)	\$67	
Storm damage insurance recoveries receivables					
Noncash transfer of operations					
Unrealized gain (loss) on investments					\$697,590
Amortization of bond premium					
Accretion of bond discount					
Amortization of bond issuance costs					
Federal nonoperating receivables					
CARES Act receivables		\$2,436,493	\$6,244,292	\$208,325	\$2,592,216
Retainage payable					
Other nonoperating accounts and contracts payable					
Other current liabilities - interest payable					\$21,803

* Effective July 1, 2020, the LCTCS Online was combined with the Board Office. The beginning balances for the Board office for the fiscal year ended June 30, 2021 have been restated to reflect this change.

(Continued)

Schedule 10

Elaine P. Nunez Community College	L.E. Fletcher Technical Community College	Louisiana Delta Community College	Northshore Technical Community College	Northwest Louisiana Technical Community College	River Parishes Community College	South Louisiana Community College
(\$14,122,208)	(\$13,390,771)	(\$17,538,134)	(\$20,236,930)	(\$7,298,538)	(\$14,600,744)	(\$37,101,282)
1,289,529 49,561	736,907 55,386	509,260 92,942	651,958 94,662	287,652 30,940	123,567 59,315	1,376,783 171,324
503,790	(278,945)	(2,446,539)	714,905	(86,104)	1,439,262	2,069,691
18,716 (361,383) (311,122) 535,838 (84,927) (8,818) 72,209 1,135,023 1,136,969 (1,151) (582,207) (580,311)	(5,196) (3,153,278) (199,193) 334,954 182,740 111 32,584 4,200,312 757,892 (698,937) (541,568)	438 (1,475,988) (776,278) 646,693 5,459 37,162 (74,723) 3,806,633 1,043,919 (2,231,764) (1,319,094)	36,047 (4,289,232) (92,005) 201,482 163,082 4,267 125,507 7,301,556 526,411 (804,655) (437,695)	(1,326,360) (384,350) 69,974 79,529 (25,738) (17,522) 1,945,454 (117,215) (1,493,174) (200,026)	(570) (1,159,207) 379,423 213,593 9,701 (13,423) 24,831 3,485,143 622,518 (687,443) (528,907)	(16,539) (3,575,129) (136,873) (422,338) 21,480 4,561 95,855 9,675,387 1,693,492 (2,734,339) (3,735,965)
<u>(\$11,310,492)</u>	<u>(\$11,967,002)</u>	<u>(\$19,720,014)</u>	<u>(\$16,040,640)</u>	<u>(\$8,535,478)</u>	<u>(\$10,632,941)</u>	<u>(\$32,613,892)</u>
\$6,075,173 142,487	\$11,225,450	\$13,417,604	\$10,686,728 40,000	\$4,190,320	\$13,499,561 60,000	\$23,673,852 240,000
<u>\$6,217,660</u>	<u>\$11,225,450</u>	<u>\$13,417,604</u>	<u>\$10,726,728</u>	<u>\$4,190,320</u>	<u>\$13,559,561</u>	<u>\$23,913,852</u>
\$180,595	\$1,878,774		\$147,355		\$150,000	\$10,000
(\$55)	(\$254,904)	(\$5,280)	(\$3,921)	(\$90,312)		(\$27,381)
	\$4,670,327 \$39,781	\$133,428				(\$4,670,327) \$278,790
\$6,888 \$129,000	\$154,036	\$812,235	\$10,564 \$494,767	\$80,735	\$1,018,594	\$967,863 \$3,124,096

**LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA
Combining Schedule of Cash Flows, by College
For the Year Ended June 30, 2021**

	SOWELA Technical Community College	Facilities Corporations	System Eliminating Entries	Total Per System
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**RECONCILIATION OF OPERATING
LOSS TO NET CASH USED BY
OPERATING ACTIVITIES:**

Operating income (loss)	(\$11,055,855)	(\$23,872,374)	\$15,958,396	(\$348,444,723)
Adjustments to reconcile operating income (loss) to net cash used by operating activities:				
Depreciation/amortization expense	2,228,585	15,994,177		33,059,414
Nonemployer contributing entity revenue	91,462			1,447,464
Noncash capital expense				266,170
Impairment of capital assets before insurance recoveries	3,109,768	7,878,197		10,987,965
Noncash insurance recoveries	(5,669,407)			(5,669,407)
Changes in assets, deferred outflows, liabilities, and deferred inflows:				
(Increase) decrease in accounts receivable, net	(9,319,770)			(4,766,085)
(Increase) decrease in due from other funds				16,568,558
(Increase) decrease in inventories				438
(Increase) decrease in prepaid expenses and advances				(54,254)
(Increase) decrease in deferred outflows related to pensions	(1,236,768)			(39,749,021)
(Increase) decrease in deferred outflows related to OPEB	(256,827)			(7,495,608)
Increase (decrease) in accounts payable and accrued liabilities	(324,252)			(9,394,832)
Increase (decrease) in unearned revenue	(141,029)			(90,664)
Increase (decrease) in amounts held in custody for others	15,280			168,080
Increase (decrease) in compensated absences	55,263			314,650
Increase (decrease) in net pension liability	4,078,193			76,752,473
Increase (decrease) in total OPEB liability	424,671			14,590,280
Increase (decrease) in other liabilities				(1,295)
Increase (decrease) in deferred inflows related to pensions	(1,524,943)			(31,794,881)
Increase (decrease) in deferred inflows related to OPEB	(446,405)			(15,132,560)
Net cash provided (used) by operating activities:	(\$19,972,034)	\$0	\$15,958,396	(\$308,437,838)

**RECONCILIATION OF CASH AND CASH
EQUIVALENTS TO THE STATEMENT OF
NET POSITION:**

Cash and cash equivalents classified as current assets	\$16,476,594			\$193,468,562
Cash and cash equivalents classified as noncurrent assets	105,558	\$43,574,447		44,904,651
Cash and cash equivalents at the end of the year	\$16,582,152	\$43,574,447	\$0	\$238,373,213

**NONCASH INVESTING, CAPITAL, AND
FINANCING ACTIVITIES**

Noncash capital appropriation, grant, and/or gift of capital assets	\$390,987			\$4,135,497
Noncash grants and gifts				\$10,000
Noncash insurance recoveries used for construction in progress	\$5,669,407			\$5,669,407
Gain (loss) on disposal of capital assets	(\$24,928)			(\$441,503)
Storm damage insurance recoveries receivables	\$1,104,707			\$1,104,707
Noncash transfer of operations				\$0
Unrealized gain (loss) on investments	\$270,732	\$309,709		\$1,730,030
Amortization of bond premium		\$6,085,252		\$6,085,252
Accretion of bond discount		\$199,745		\$199,745
Amortization of bond issuance costs		\$482,622		\$482,622
Federal nonoperating receivables				\$985,315
CARES Act receivables	\$2,877,428			\$20,172,217
Retainage payable		\$405,825		\$405,825
Other nonoperating accounts and contracts payable	\$562,668	\$229,513		\$792,181
Other current liabilities - interest payable		\$4,400,043		\$4,421,846

**OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

Exhibit A

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

December 14, 2022

Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities of the Louisiana Community and Technical College System (System), a component unit of the state of Louisiana, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the System's basic financial statements, and have issued our report thereon dated December 14, 2022. Our report includes a reference to other auditors who audited the financial statements of the South Louisiana Facilities Corporation; the BRCC Facilities Corporation; Campus Facilities, Inc.; Delta Campus Facilities Corporation; and the LCTCS Facilities Corporation, as described in our report on the System's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

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

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

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

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

Report on Compliance and Other Matters

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

Other Reports

Other external auditors audited the South Louisiana Facilities Corporation; Campus Facilities, Inc.; Delta Campus Facilities Corporation; BRCC Facilities Corporation; and the LCTCS Facilities Corporation, which are blended component units included in the System's basic financial statements for the year ended June 30, 2022. To obtain copies of those reports, refer to note 1-B to the basic financial statements for mailing addresses. These reports are also available on the Internet at www.lla.la.gov.

As a part of our audit of the System's basic financial statements for the year ended June 30, 2022, we performed certain procedures on colleges within the System. Our reports on those procedures for those colleges are listed as follows:

College	Audit Type	Issue Date	Finding Title
Baton Rouge Community College	Fiscal Year 2022 Management Letter	Pending	Pending
Bossier Parish Community College	None	N/A	N/A
Central Louisiana Technical Community College	Fiscal Year 2022 Full Scope	October 31, 2022	Weakness in Processes over Financial Reporting
Delgado Community College	Fiscal Year 2022 Management Letter	December 15, 2022	Inaccurate Annual Fiscal Report
Elaine P. Nunez Community College	None	N/A	N/A
L. E. Fletcher Technical Community College	None	N/A	N/A
Louisiana Delta Community College	Fiscal Year 2022 Management Letter	November 30, 2022	Inaccurate Annual Fiscal Report
Northshore Technical Community College	Fiscal Year 2022 Procedural Report	September 7, 2022	None
Northwest Louisiana Technical Community College	Fiscal Year 2022 Full Scope	Pending	Pending
River Parishes Community College	Fiscal Year 2022 Procedural Report	September 7, 2022	Inadequate Controls over Student Account Balances Ineffective Bank Reconciliations
South Louisiana Community College	Fiscal Year 2022 Management Letter	Pending	Pending
SOWELA Technical Community College	None	N/A	N/A

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,



Michael J. "Mike" Waguespack, CPA
Legislative Auditor

KDN:CLL:BQD:EFS:aa

LCTCS 2022