NORTHWEST LOUISIANA TECHNICAL COMMUNITY COLLEGE

LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM

A COMPONENT UNIT OF THE STATE OF LOUISIANA

FINANCIAL AUDIT SERVICES

Financial Statement Audit for the Year Ended June 30, 2025
Issued January 28, 2026

LOUISIANA LEGISLATIVE AUDITOR

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

LEGISLATIVE AUDITOR
MICHAEL J. "MIKE" WAGUESPACK, CPA

FIRST ASSISTANT LEGISLATIVE AUDITOR
BETH Q. DAVIS, CPA

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LOUISIANA LEGISLATIVE AUDITOR

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

January 23, 2026

Independent Auditor's Report

NORTHWEST LOUISIANA TECHNICAL COMMUNITY COLLEGE
LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA
Minden, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of Northwest Louisiana Technical Community College (College), a college within the Louisiana Community and Technical College System (System), a component unit of the State of Louisiana, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the College as of June 30, 2025, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As disclosed in note 1-B to the financial statements, the accompanying financial statements of the College are intended to present the financial position, the changes in financial position, and cash flows of only that portion of the business-type activities of the System that is attributable to the transactions of the College. They do not purport to, and do not, present fairly the financial position of the System as of June 30, 2025, the changes in its financial position or its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As disclosed in Notes 1, 11, 12, and 14 to the financial statements, the College implemented Statement No. 101, *Compensated Absences*, issued by the Governmental Accounting Standards Board during fiscal year 2025. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 6 through 14, the Schedule of the College's Proportionate Share of the Net Pension Liability on page 49, the Schedule of the College's Contributions on page 49, and the Schedule of the College's Proportionate Share of the Total Collective OPEB Liability on page 51 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2026, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Respectfully submitted,

Michael J. "Mike" Waguespack, CPA
Legislative Auditor

KDN:CLL:JPT:BQD:aa

NWLTCC 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis of Northwest Louisiana Technical Community College's (College) financial performance presents a narrative overview and analysis of the College's financial activities for the year ended June 30, 2025. This document focuses on the current-year's activities, resulting changes, and currently-known facts in comparison with the prior-year's information. Please read this document in conjunction with the College's financial statements. **Amounts are presented in thousands unless otherwise noted.**

FINANCIAL HIGHLIGHTS

The College's net position increased from ($2,871) to ($1,281), or 55.4%, from July 1, 2024, to June 30, 2025. The overall reasons for this change included:

- Increase of $1,224 in current assets
    - Increase of $1,623 in cash and cash equivalents
    - Decrease of $115 in receivable, net
    - Decrease of $284 in due from LCTCS
- Increase of $920 in capital assets
- Decrease of $884 in deferred outflows of resources
- Increase of $395 in current liabilities
    - Increase of $278 in accounts payable and accrued liabilities
    - Increase of $43 in unearned revenues
    - Decrease of $106 in OPEB liability
    - Increase of $149 in compensated absences payable. The fiscal year 2024 balance is not consistent with the fiscal year 2025 balance due to the implementation of GASB Statement No. 101, *Compensated Absences*, which introduced a unified recognition and measurement framework for all types of leave. The new standard replaces the previous guidance under GASB Statement No. 16, *Accounting for Compensated Absences*, and significantly changes how liabilities for unused leave are recognized. See note 14 for restatements.
- Decrease of $147 in long-term liabilities
    - Decrease of $969 in net pension liability

- Increase of $310 in OPEB liability

- Increase of $512 in compensated absences payable. The fiscal year 2024 balance is not consistent with the fiscal year 2025 balance due to the implementation of GASB Statement No. 101, *Compensated Absences*, which introduced a unified recognition and measurement framework for all types of leave. The new standard replaces the previous guidance under GASB Statement No. 16, *Accounting for Compensated Absences*, and significantly changes how liabilities for unused leave are recognized. See note 14 for restatements.

- Decrease of $578 in deferred inflows of resources

Enrollment increased from 1,755 students to 2,247 from July 1, 2024, to June 30, 2025, an increase of 28.0%. The reason for this change is attributed primarily to the workforce expansion and increased focus on recruitment efforts.

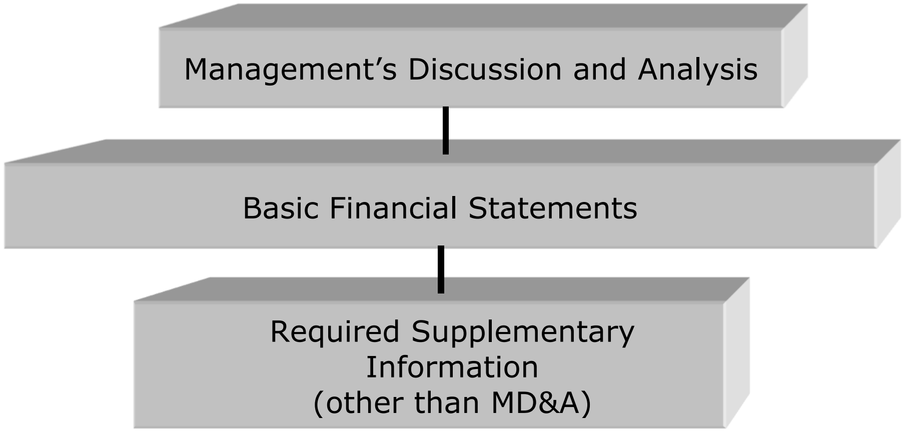
The College's operating revenues decreased from $3,632 to $3,089, or 15.0%, from July 1, 2024, to June 30, 2025, due to an increase in scholarship allowance and a decrease in state and local grants and contracts. Operating expenses increased by 2.4% to $13,188 for the year ended June 30, 2025, due to the rise in mandated costs and utilities.

Per NACUBO Advisory 2023-1, beginning with fiscal year 2025, the College adopted the Detail by Student, by year method for estimating scholarship discounts and allowances. This change in accounting estimate led to a reduction in the amount reported as Tuition and Fees, net, reflecting a more precise and student-level approach to financial reporting.

Nonoperating revenues fluctuate depending upon the level of state appropriations and federal nonoperating revenues. The decrease to $11,272 in 2025 from $11,377 in 2024 is mainly attributed to a decrease in other nonoperating revenues and state appropriations offset by increases in federal nonoperating revenues and COVID-19 federal funding. State appropriations changed from $5,702 to $5,655 due to a decreased allocation from the funding formula. Federal nonoperating revenues increased by $333, due to an increase in Federal Pell Grant awards. COVID-19 federal funding increased by $250 due to Rapid Response Healthcare Expansion.

OVERVIEW OF THE FINANCIAL STATEMENTS

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



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

Basic Financial Statements

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

The Statement of Net Position (page 15) presents assets, deferred outflows of resources, liabilities, and deferred inflows of resources separately. The difference between assets plus deferred outflows and liabilities plus deferred inflows is net position and may provide a useful indicator of whether the financial position of the College is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Position (pages 16-17) presents information showing how the College's net position changed as a result of current-year operations. Regardless of when cash is affected, all changes in net position are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flows (pages 18-19) presents information showing how the College's cash changed as a result of current-year operations. The Statement of Cash Flows is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB Statement No. 34.

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

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

FINANCIAL ANALYSIS

Table A-1
Northwest Louisiana Technical Community College
Comparative Statement of Net Position
(in thousands of dollars)
For the Fiscal Years Ended June 30, 2025 and 2024

	2025	* 2024	Variance	Percentage Change
Assets:				
Current assets	$9,541	$8,317	$1,224	14.7%
Capital assets	4,865	3,945	920	23.3%
Total assets	14,406	12,262	2,144	17.5%
Total deferred outflows of resources	4,491	5,375	(884)	(16.4%)
Total assets and deferred outflows of resources	$18,897	$17,637	$1,260	7.1%
Liabilities:				
Current liabilities	$1,508	$1,113	$395	35.5%
Long-term liabilities	16,302	16,449	(147)	(0.9%)
Total liabilities	17,810	17,562	248	1.4%
Total deferred inflows of resources	2,368	2,946	(578)	(19.6%)
Total liabilities and deferred inflows of resources	$20,178	$20,508	($330)	(1.6%)
Net Position:				
Investment in capital assets	$4,756	$3,945	$811	20.6%
Restricted	3,637	3,881	(244)	(6.3%)
Unrestricted	(9,674)	(10,697)	1,023	9.6%
Total net position	($1,281)	($2,871)	$1,590	55.4%

*Refer to Note 14 Restatement of Beginning Net Position for restatements resulting changes in accounting principle. 2024 was not restated to reflect changes in accounting principles.

This schedule is prepared from the College's Statement of Net Position as shown on page 15, which is presented on an accrual basis of accounting. Significant Statement of Net Position changes for 2025 include:

- Increase of $1,224 in current assets
  - Increase of $1,623 in cash and cash equivalents
  - Decrease of $115 in receivable, net
  - Decrease of $284 in due from LCTCS
- Increase of $920 in capital assets
- Decrease of $884 in deferred outflows of resources
- Increase of $395 in current liabilities
  - Increase of $278 in accounts payable and accrued liabilities
  - Increase of $43 in unearned revenues
  - Decrease of $106 in OPEB liability
  - Increase of $149 in compensated absences payable. The fiscal year 2024 balance is not consistent with the fiscal year 2025 balance due to the implementation of GASB Statement No. 101, *Compensated Absences*, which introduced a unified recognition and measurement framework for all types of leave. The new standard replaces the previous guidance under GASB Statement No. 16, *Accounting for Compensated Absences*, and significantly changes how liabilities for unused leave are recognized. See note 14 for restatements.
- Decrease of $147 in long-term liabilities
  - Decrease of $969 in net pension liability and increase of $310 in OPEB liability.
  - Increase of $512 in compensated absences payable. The fiscal year 2024 balance is not consistent with the fiscal year 2025 balance due to the implementation of GASB Statement No. 101, *Compensated Absences*, which introduced a unified recognition and measurement framework for all types of leave. The new standard replaces the previous guidance under GASB Statement No. 16, *Accounting for Compensated Absences*, and significantly changes how liabilities for unused leave are recognized. See note 14 for restatements.

- Decrease of $578 in deferred inflows of resources

The 6.3% decrease in restricted net position is due to the College's use of the Higher Education Initiative and Student Technology Fee funds offset by increases in Restricted Grants and Contracts.

Investment in capital assets consists of capital assets net of accumulated depreciation. Restricted net position represents those assets that are only available for spending on certain activities as a result of legislative requirements, 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
Northwest Louisiana Technical Community College
Comparative Statement of Revenues, Expenses,
and Changes in Net Position
(in thousands of dollars)
For the Fiscal Years Ended June 30, 2025 and 2024

	2025	* 2024	Variance	Percentage Change
Operating revenues:				
Student tuition and fees, net	$1,707	$1,931	($224)	(11.6%)
Grants and contracts	1,381	1,501	(120)	(8.0%)
Other operating revenues	1	200	(199)	(99.5%)
Total operating revenues	3,089	3,632	(543)	(15.0%)
Operating expenses:				
Educational and general:				
Instruction	4,589	4,652	(63)	(1.4%)
Academic support	901	808	93	11.5%
Student services	1,035	1,024	11	1.1%
Institutional support	2,480	2,384	96	4.0%
Operations and maintenance of plant	1,925	1,766	159	9.0%
Depreciation	344	317	27	8.5%
Scholarships and fellowships	1,580	1,599	(19)	(1.2%)
Other operating expenses	334	325	9	2.8%
Total operating expenses	13,188	12,875	313	2.4%
Operating loss	(10,099)	(9,243)	(856)	(9.3%)
Nonoperating revenues:				
State appropriations	5,655	5,702	(47)	(0.8%)
Gifts	16	9	7	77.8%
Federal nonoperating revenues	3,862	3,529	333	9.4%
COVID-19 federal funding	505	255	250	98.0%
Other nonoperating revenues	1,234	1,882	(648)	(34.4%)
Total nonoperating revenues	11,272	11,377	(105)	(0.9%)
Income before other revenues	1,173	2,134	(961)	(45.0%)
Capital Appropriations	1,038	0	1,038	100.0%
Total other revenues	1,038	0	1,038	100.0%
Increase in net position	2,211	2,134	77	3.6%
Net position, beginning of year, restated*	(3,492)	(5,005)	1,513	30.2%
Net position, end of year	($1,281)	($2,871)	$1,590	55.4%

*Refer to Note 14 Restatement of Beginning Net Position for restatements resulting changes in accounting principle.
2024 was not restated to reflect changes in accounting principles.

Nonoperating revenues fluctuate depending upon the level of state appropriations and federal nonoperating revenues. The decrease to $11,272 in 2025 from $11,377 in 2024 is mainly attributed to increases in other nonoperating revenues and state appropriations offset by increases in federal nonoperating revenues and COVID-19 federal funding. State appropriations changed from $5,702 to $5,655 due to a decreased allocation from the funding formula. Federal nonoperating revenues increased by $333, due to an increase in Federal Pell Grant awards. COVID-19 federal funding increased by $250 due to Rapid Response Healthcare Expansion.

The College's operating revenues decreased from $3,632 to $3,089, or 15.0%, from July 1, 2024, to June 30, 2025, due to an increase in scholarship allowance and a decrease in state and local grants and contracts. Operating expenses increased by 2.4% to $13,188 for the year ended June 30, 2025, due to the rise in mandated cost and utilities.

Capital appropriations increased by $1,038 for the construction of an addition to the Main Building at the Mansfield Campus through the Office of Facility Planning and Control.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2025, the College had invested approximately $4,865 in capital assets, net of accumulated depreciation. This amount represents a net increase (including additions and disposals, net of depreciation) of approximately $920, or 23.3%, from the previous fiscal year. More detailed information about the College's capital assets is presented in note 4 to the financial statements.

Table A-3
Northwest Louisiana Technical Community College
Capital Assets, Net of Depreciation
(in thousands of dollars)
As of June 30, 2025 and 2024

	2025	2024	Variance	Percentage Change
Land	$1,933	$1,933	$0	0.0%
Construction-in-progress	1,038		1,038	100.0%
Buildings	944	1,011	(67)	(6.6%)
Equipment	950	1,001	(51)	(5.1%)
Total	$4,865	$3,945	$920	23.3%

This year's major changes included construction-in-progress costs for an addition to the Main Building at the Mansfield Campus for the Nursing Lab and Student Center.

Debt

The College had no bonds or notes outstanding at year-end.

ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

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

- Anticipated Southern Association of Colleges and Schools Commission on Colleges accreditation and subsequent reviews

- Changes in state appropriations and grant funding

- Capital improvement projects and upgrades for the Shreveport Campus

- New and additional costs related to the construction of an addition to the Main Building at the Mansfield Campus for the Nursing Lab and Student Center, with completion planned for Spring 2026

- Workforce development and expansion costs

CONTACTING THE NORTHWEST LOUISIANA TECHNICAL COMMUNITY COLLEGE'S MANAGEMENT

This financial report is designed to provide our residents, taxpayers, customers, investors, and creditors with a general overview of the College's finances and show the College's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Melanie Sotak at MelanieSotak@nltcc.edu or phone at (318) 371-3035 ext. 1206.

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

Statement of Net Position
June 30, 2025

ASSETS	
Current assets:	
Cash (note 2)	$8,989,715
Receivables, net (note 3)	98,075
Due from federal government	661
Due from Louisiana Community and Technical College System (LCTCS)	447,090
Prepaid expenses and advances	5,527
Total current assets	9,541,068
Noncurrent assets:	
Capital assets, net (note 4)	4,864,884
Total noncurrent assets	4,864,884
Total assets	14,405,952
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions (note 6)	2,506,124
Deferred outflows related to other postemployment benefits (OPEB) (note 8)	1,984,594
Total deferred outflows of resources	4,490,718
LIABILITIES	
Current liabilities:	
Accounts payable and accruals (note 9)	554,504
Due to LCTCS	46,554
Unearned revenues (note 10)	210,107
Other current liabilities	28,319
Compensated absences payable (notes 11 and 12)	216,251
OPEB liability (note 8)	451,773
Total current liabilities	1,507,508
Noncurrent liabilities:	
Compensated absences payable (notes 11 and 12)	978,000
Net pension liability (note 6)	7,234,772
OPEB liability (note 8)	8,089,708
Total noncurrent liabilities	16,302,480
Total liabilities	17,809,988
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions (note 6)	774,465
Deferred inflows related to OPEB (note 8)	1,593,379
Total deferred inflows of resources	2,367,844
NET POSITION	
Investment in capital assets	4,756,246
Restricted - expendable (note 13)	3,636,755
Unrestricted	(9,674,163)
Total Net Position	($1,281,162)

The accompanying notes are an integral part of this statement.

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

Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2025

OPERATING REVENUES	
Student tuition and fees	$4,439,439
Less scholarship allowances	(2,732,465)
Net student tuition and fees	1,706,974
Federal grants and contracts	867,134
State and local grants and contracts	434,035
Nongovernmental grants and contracts	80,000
Other operating revenues	1,271
Total operating revenues	3,089,414
OPERATING EXPENSES	
Educational and general:	
Instruction	4,589,304
Academic support	901,288
Student services	1,035,102
Institutional support	2,479,688
Operations and maintenance of plant	1,925,398
Depreciation (note 4)	343,689
Scholarships and fellowships	1,580,536
Other operating expenses	333,847
Total operating expenses	13,188,852
OPERATING LOSS	(10,099,438)

(Continued)

The accompanying notes are an integral part of this statement.

NORTHWEST LOUISIANA TECHNICAL COMMUNITY COLLEGE
LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2025

NONOPERATING REVENUES	
State appropriations	$5,654,532
Gifts	15,908
Federal nonoperating revenues	3,862,056
COVID-19 federal funding	505,440
Net investment income	495
Other nonoperating revenues	1,233,377
Net nonoperating revenues	11,271,808
INCOME BEFORE OTHER REVENUES	1,172,370
Capital appropriations	1,038,327
INCREASE IN NET POSITION	2,210,697
NET POSITION AT BEGINNING OF YEAR (Note 14)	(2,871,166)
Net position restatement - change in accounting principle (note 14)	(620,693)
NET POSITION AT END OF YEAR	($1,281,162)

(Concluded)

The accompanying notes are an integral part of this statement.

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

Statement of Cash Flows
For the Year Ended June 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES:	
Tuition and fees	$1,906,225
Grants and contracts	1,143,066
Payments for employee compensation	(5,610,301)
Payments for benefits	(2,220,614)
Payments for utilities	(590,421)
Payments for supplies and services	(2,711,194)
Payments for scholarships and fellowships	(1,580,536)
Other payments	(302,068)
Net cash used by operating activities	(9,965,843)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
State appropriations	5,681,414
Gifts and grants for other than capital purposes	5,505,121
COVID-19 federal funding receipts	505,440
Taylor Opportunity Program for Students (TOPS) receipts	262,605
TOPS disbursements	(262,605)
M.J. Foster Promise Program receipts	234,262
M.J. Foster Promise Program disbursements	(234,262)
Other receipts	13,282
Net cash provided by noncapital financing activities	11,705,257
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:	
Purchases of capital assets	(116,904)
Net cash used by capital financing activities	(116,904)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest received on investments	495
Net cash provided by investing activities	495

(Continued)

The accompanying notes are an integral part of this statement.

NORTHWEST LOUISIANA TECHNICAL COMMUNITY COLLEGE
LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA
Statement of Cash Flows
For the Year Ended June 30, 2025

NET INCREASE IN CASH	$1,623,005
CASH AT BEGINNING OF YEAR	7,366,710
CASH AT END OF YEAR	$8,989,715
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:	
Operating loss	($10,099,438)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation expense	343,689
Nonemployer contributing entity revenue	42,938
Changes in assets, deferred outflows, liabilities, and deferred inflows:	
(Increase) in accounts receivables, net	(77,571)
Decrease in deferred outflows related to pensions	610,910
Decrease in deferred outflows related to OPEB	273,327
Increase in accounts payable and accrued liabilities	172,440
Increase in unearned revenues	43,277
Increase in compensated absences	40,604
(Decrease) in net pension liability	(969,221)
Increase in OPEB liability	203,742
Increase in other liabilities	27,284
Increase in deferred inflows related to pensions	141,642
(Decrease) in deferred inflows related to OPEB	(719,466)
Net cash used by operating activities	($9,965,843)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:	
Noncash capital appropriation	$1,038,327
State appropriations receivable	$17,870
State broadband grant receivable	$125,000

(Concluded)

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

INTRODUCTION

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

The College is comprised of three campuses located in Minden, Mansfield, and Shreveport, as well as one instructional service center located in Minden.

The College offers Associate of Applied Science degrees (AAS), Technical Diplomas (TD), Certificate of Technical Studies (CTS), and career and technical certificates (CTC).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting principles and reporting standards. These principles are found in the *Codification of Governmental Accounting and Financial Reporting Standards*, published by GASB. The accompanying financial statements have been prepared on the full accrual basis in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

B. REPORTING ENTITY

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

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

C. BASIS OF ACCOUNTING

For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-college transactions have been eliminated.

D. CASH AND CASH EQUIVALENTS

Cash includes cash on hand and interest-bearing demand deposits. Under state law, the College may deposit funds within a fiscal agent bank organized under the laws of the state of Louisiana, the laws of any other state in the Union, or the laws of the United States.

The College may also invest in certificates of deposit of state banks organized under Louisiana law and national banks having their principal offices in Louisiana. The College considers certificates of deposit and all highly-liquid investments with an original maturity of three months or less to be cash equivalents.

E. CAPITAL ASSETS

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

F. UNEARNED REVENUES

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

G. 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, faculty appointed for 9 or 10 months do not earn annual leave. 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.

H. NONCURRENT LIABILITIES

Noncurrent liabilities include amounts for accrued compensated absences, the College's proportionate share of the LASERS and TRSL actuarially-accrued net pension liability, and the actuarially-accrued liability for Other Postemployment Benefits that will not be paid within the next fiscal year.

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

I. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

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

J. NET POSITION

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

(a) *Investment in capital assets* consists of the College's total investment in capital assets, net of accumulated depreciation. The College does not have any outstanding debt obligations related to capital assets.

(b) *Restricted net position - expendable* consists of resources that the College is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

(c) *Unrestricted net position* consists of resources derived from student tuition and fees, and state appropriations. These resources are used for transactions relating to the educational and general operations of the College and may be used at the discretion of the governing board to meet current expenses and for any purpose.

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

K. CLASSIFICATION OF REVENUES AND EXPENSES

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

(a) *Operating revenue* includes activities that have the characteristics of exchange transactions, such as student tuition and fees, net of scholarship discounts and allowances; and most federal, state, and local grants and contracts.

(b) *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.

(c) *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.

L. SCHOLARSHIP DISCOUNTS AND ALLOWANCES

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

Effective for the fiscal year ended June 30, 2025, the College implemented NACUBO Advisory Report 2023-01, which supersedes AR 2000-05. This updated guidance provides a refined methodology for estimating tuition discounts and allowances using modern student and financial systems.

Under the new approach, the institution applies more detailed classification and allocation methods to financial aid transactions, including scholarships, waivers, and exemptions. As a result, a greater portion of gross tuition and fee revenue is classified as discounts, which reduces the net tuition and fee revenue reported in the financial statements.

This change represents a significant update to the College's accounting policy for tuition discounting and enhances the consistency and transparency of financial reporting. Student tuition and fees, scholarship allowances, and scholarships and fellowships expenses line items within the Statement of Revenues, Expenses and Changes in Net Position are affected by the allocation described in the methodology.

M. ADOPTION OF NEW ACCOUNTING PRINCIPLES

The College implemented Statement No. 101 – *Compensated Absences*, issued by the Government Accounting Standards Board. This Statement establishes a unified model for recognizing and measuring liabilities for compensated absences, including vacation, sick leave, paid time off, and other forms of leave for which employees may receive compensation.

Under GASB 101, a liability is recognized for:

- Leave that has been earned and is attributable to services already rendered,
- Leave that accumulates and is more likely than not to be used or otherwise paid or settled, and
- Leave that has been used but not yet paid or settled.

The College evaluated its leave policies and historical usage patterns to determine the portion of leave that meets the recognition criteria. The liability is measured using the pay rates in effect as of the financial statement date and includes salary-related payments directly associated with the leave.

The adoption of this standard resulted in a change in beginning balance net position due to the recognition of previously unrecorded compensated absences liabilities. The impact of this change is presented in Note 14 (Restatement of Beginning Net Position).

The College implemented Statement No. 102 – *Certain Risk Disclosures*, issued by the Government Accounting Standards Board. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact.

Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. This Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending.

The adoption of this standard had no impact on the College's financial statements or notes to the financial statements.

N. 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, 2025, the College has cash (book balance) of $8,989,715 as follows:

Petty cash	$600
Demand deposits	8,989,115
Total	$8,989,715

Cash is reported as follows on the Statement of Net Position:

Current assets	$8,989,715
Total	$8,989,715

Custodial credit risk is the risk that, in the event of a bank failure, the College's deposits may not be recovered. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the College or the pledging bank by a holding or custodial bank that is mutually acceptable to both parties. As of June 30, 2025, the College has $9,018,027 in deposits (collective bank balances) which are secured from risk by federal deposit insurance plus pledged securities.

3. RECEIVABLES

Receivables are shown on the Statement of Net Position, net of an allowance for doubtful accounts, at June 30, 2025. These receivables are composed of the following:

	Receivables	Allowance for Doubtful Accounts	Receivables, Net
Student tuition and fees	$199,977	$194,559	$5,418
State and private grants and contracts	66,662	NONE	66,662
Other	25,995	NONE	25,995
Total	$292,634	$194,559	$98,075

There is no noncurrent portion of receivables.

4. CAPITAL ASSETS

A summary of changes in capital assets for the fiscal year ended June 30, 2025, follows:

	Balance June 30, 2024	Additions	Balance June 30, 2025
Capital assets not being depreciated:			
Land	$1,933,112	None	$1,933,112
Construction in progress	None	$1,038,327	1,038,327
Total capital assets not being depreciated	1,933,112	1,038,327	2,971,439
Capital assets being depreciated:			
Buildings	8,289,712	None	8,289,712
Equipment (including library books)	7,333,646	225,542	7,559,188
Total assets being depreciated	15,623,358	225,542	15,848,900
Less accumulated depreciation:			
Buildings	(7,278,514)	(67,884)	(7,346,398)
Equipment	(6,333,252)	(275,805)	(6,609,057)
Total accumulated depreciation	(13,611,766)	(343,689)	(13,955,455)
Capital assets, net	$3,944,704	$920,180	$4,864,884

5. CAPITAL ASSETS HELD BY OTHERS

Construction for the expansion of the Minden campus was completed during fiscal year 2013. Construction of the Workforce Development Building at the Minden campus was completed during early fiscal year 2017. The College implemented Banner during fiscal years 2012 and 2013. The new construction and some of the Banner implementation costs were funded by bonds issued by LCTCS Facilities

Corporation in accordance with Act 391 of the 2007 Regular Legislative Session and Act 360 of the 2013 Regular Legislative Session. The cost of construction of the facilities, along with the related bond debt, are recorded in the System's financial statements through the blending of the LCTCS Facilities Corporation with the System. The Banner asset will be capitalized by the System Board Office.

6. PENSION LIABILITY

General Information about the Pension Plans

Plan Descriptions

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

TRSL also administers an optional retirement plan (ORP), which was created by Louisiana Revised Statute (R.S.) 11:921-931 for academic and administrative employees of public institutions of higher education and is considered a defined contribution plan (see Note 7 below). A portion of the employer contributions for ORP plan members is dedicated to the unfunded accrued liability of the TRSL defined benefit plan.

LASERS Retirement Benefits

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

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

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

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

TRSL Retirement Benefits

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

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

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

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

2.5% benefit factor for all creditable service, or (b) $600 per month. Benefits are payable to an unmarried child until age 21, or age 23 if the child remains a full-time student. Benefits are paid for life to a qualified unmarried child with a disability. Benefits are paid for life to a surviving spouse unless the deceased active member was not eligible for retirement at the time of death and the surviving spouse remarries before the age of 55.

DROP/IBO

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

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

Cost-of-Living Adjustments

As fully described in Title 11 of the Louisiana Revised Statutes, LASERS and TRSL allow for the payment of ad hoc permanent benefit increases, also known as cost-of-living adjustments (COLAs), which are funded through investment earnings when recommended by the retirement system board of trustees and approved by the Legislature. Both LASERS and TRSL have established an Experience Account to fund permanent benefit increases for retirees. Effective July 1, 2023, Act 184 of the 2023 Regular Legislative Session provides for the phasing out and termination of the Experience Account and of the diversion of the investment earnings into that account, and creates a new account for accumulation of funds to pay COLAs. The Act establishes an additional component of the required employer contribution rate called the COLA account funding contribution or AFC rate. Accounts are capped at amounts needed to fund two increases. 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 2025 totaled $164,705, with regular plan active member contributions ranging from 7.5% to 8%, and employer contributions of 34.74% of covered payroll. The proportionate share of Legislative Acts contributions to LASERS totaled $6,588, and were recognized as revenue in fiscal year 2025 by the College. Employer defined benefit plan contributions to TRSL for fiscal year 2025 totaled $903,072, with regular plan active member contributions of 8%, and employer contributions of 15.9% for ORP members, and 20.88% to 21.51% 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 $36,350, and were recognized as revenue in fiscal year 2025 by the College.

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

At June 30, 2025, the College reported liabilities of $1,189,393 and $6,045,379 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, 2024, and the total pension liabilities used to calculate the NPL were determined by actuarial valuations as of that date. The College's proportions of the NPL were based on projections of the College's long-term share of contributions to the pension plans relative to the projected contribution of all participating employers, actuarially determined. The College's projected contribution effort was calculated by multiplying the eligible annual compensation of active members in the Plan as of June 30, 2024, by the fiscal year 2025 employer actuarially required contribution rates. As of June 30, 2024, the most recent measurement date, the College's proportions and the changes in proportions from the prior measurement date were 0.02187%, or a decrease of 0.00056%, for LASERS, and 0.07002%, or a decrease of 0.00413%, for TRSL.

For the year ended June 30, 2025, the College recognized a total pension expense of $894,047 for defined benefit plans, or $37,801 and $856,246 for LASERS and TRSL, respectively. At June 30, 2025, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	LASERS	TRSL	Total	LASERS	TRSL	Total
Differences between expected and actual experience		$343,125	$343,125	$5,260		$5,260
Changes of assumptions	$8,315	161,818	170,133		$154,792	154,792
Net difference between projected and actual earnings on pension plan investments		459,257	459,257	141,810		141,810
Changes in proportion and differences between employer contributions and proportionate share of contributions		465,832	465,832	20,795	451,808	472,603
Employer contributions subsequent to the measurement date	164,705	903,072	1,067,777			
Total	$173,020	$2,333,104	$2,506,124	$167,865	$606,600	$774,465

Deferred outflows of resources related to pensions resulting from the College's contributions subsequent to the measurement date will be recognized as a reduction of the LASERS and TRSL NPL in the year ended June 30, 2026. 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
2026	($106,073)	($51,034)	($157,107)
2027	$36,640	$839,870	$876,510
2028	($54,656)	$60,884	$6,228
2029	($35,461)	($26,288)	($61,749)

Actuarial Assumptions and Methodologies

The total pension liabilities for LASERS and TRSL in the June 30, 2024, actuarial valuations were determined using the following actuarial assumptions and methodologies:

	LASERS	TRSL
Valuation Date	June 30, 2024	June 30, 2024
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Approach	Closed	Closed
Expected Remaining Service Lives	2 years	5 years
Investment Rate of Return (discount rate)	7.25%, net of investment expense	7.25%, net of investment expense*
Inflation Rate	2.4% per annum	2.4% per annum
Mortality Rates	General active members: PubG-2010, adjusted by 1.055 for males and 1.034 for females. General retiree/inactive members: PubG-2010, adjusted by 1.215 for males and 1.277 for females. Mortality assumptions for non-disabled members include improvement projected on a fully generational basis using the MP-2021 Mortality Improvement Scale. Disabled retiree members: RP-2000 Disabled Retiree Mortality Table, adjusted by 0.936 for males and 1.065 for females, with no projection for improvement.	Active members: Pub2010T-Below Median Employee (amount weighted) tables, adjusted by 0.965 for males and by 0.942 for females. Non-disabled retiree/inactive members: Pub2010T-Below Median Retiree (amount weighted) tables, adjusted by 1.173 for males and by 1.258 for females Disabled retiree members: Pub2010T-Disability (amount weighted) tables, adjusted by 1.043 for males and by 1.092 for females Contingent survivor mortality members: Pub2010T-Below Median-Contingent Survivor (amount weighted) tables, adjusted by 1.079 for males and by 0.919 for females Mortality base tables were adjusted from 2010 to 2019 (base year, representing the mid-point of the experience study) with continued future mortality improvement using the MP-2021 improvement table on a fully generational basis.
Termination, Disability, Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2019-2023) experience study of the plan's members.	Termination, disability, and retirement assumptions were projected based on a five-year (2018-2022) experience study of the plan's members.
Projected Salary Increases	Salary increases were projected based on a 2019-2023 experience study of the plan's members. The projected salary increase for regular plan members ranges from 3.3% to 14.0% depending on duration of service.	Salary increases were projected based on a 2018-2022 experience study of the plan's members. The projected salary increase for regular plan members ranges from 2.41% to 4.85% depending on duration of service.
Cost of Living Adjustments	Not substantively automatic	Not substantively automatic

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

The projected benefit payments do not include provisions for potential future increases not yet authorized by the LASERS and TRSL Boards of Trustees, as these ad-hoc COLAs were deemed not to be substantively automatic. However, the LASERS and TRSL assumptions for funding purposes include an adjustment to recognize that investment earnings will be allocated to the experience account through fiscal year ending 2029 to fund potential future increases. Beginning July 1, 2024, COLAs will be directly funded through the employer contribution rate.

The June 30, 2024, valuations include the following changes in assumptions:

- The LASERS inflation rate, mortality, termination, retirement, disability, and salary increase assumptions were updated to reflect the results of the most recent experience study of the plan's members observed for the period of July 1, 2018, through June 30, 2023.

- For LASERS, Act 94 of 2016 changes the amortization period for most actuarial changes, gains, or losses from 30 to 20 years once the funded ratio reaches 70%. Since the June 30, 2024 funded ratio exceeds 70%, the change in liability due to assumption changes and the experience gain/loss are amortized over 20 years.

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 2.4% for LASERS, and 2.4% for TRSL, and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term nominal rate of return is 8.15%, and 8.68%, 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, 2024, are summarized for each plan in the following table:

	Target Allocation	Long-Term Expected Real Rate of Return
LASERS (geometric)		
Cash	0.00%	0.76%
Domestic equity	34.00%	4.29%
International equity	17.00%	5.22%
Domestic fixed income	3.00%	2.04%
International fixed income	19.00%	5.24%
Alternative investments	27.00%	8.19%
Total	100.00%	5.61%
TRSL (arithmetic)		
Domestic equity	22.50%	4.45%
International equity	11.50%	4.29%
Domestic fixed income	8.00%	2.79%
International fixed income	6.00%	1.66%
Private Equity	37.00%	8.24%
Other Private Assets	15.00%	4.51%
Total	100.00%	

Discount Rate

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

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

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

	1.0% Decrease	Current Discount Rate	1.0% Increase
	(6.25%) LASERS (6.25%) TRSL	(7.25%) LASERS (7.25%) TRSL	(8.25%) LASERS (8.25%) TRSL
LASERS	$1,642,520	$1,189,393	$804,339
TRSL	$8,761,101	$6,045,379	$3,762,157

Pension plan fiduciary net position

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

Payables to the Pension Plan

At June 30, 2025, the College had $16,994 and $101,182 in payables to LASERS and TRSL, respectively, for the June 2025 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 2025 totaled $36,437, which represents pension expense for the College. Employee contributions totaled $13,207. The fiscal year 2025 employee and employer contribution rates were 8% and 6.2%, respectively, with an additional employer contribution of 15.9% (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 defined-benefit, multiple-employer other post-employment benefit plan. The plan provides medical, prescription drug, and life insurance benefits to retirees, disabled retirees, and their eligible beneficiaries through premium subsidies. Current employees, who participate in an OGB health plan while active, are eligible for plan benefits if they are enrolled in the OGB health plan immediately before the date of retirement and retire under one of the state-sponsored retirement systems (Louisiana State Employees' Retirement System, Teachers' Retirement System of Louisiana, Louisiana School Employees' Retirement System, or Louisiana State Police Retirement System) or they retire from a participating employer that meets the qualifications in the Louisiana Administrative Code 32:3.303. Benefit provisions are established under R.S. 42:801-883. The obligations of the plan members, employers, and other contributing entities to contribute to the plan are established or may be amended under the authority of R.S. 42:802, 42:821, and 42:851.

Employer contributions are based on plan premiums and the employer contribution percentage. Premium amounts vary depending on the health plan selected and if the retired member has Medicare coverage. OGB offers retirees four self-insured healthcare plans. In addition, retirees who have Medicare Part A and Part B coverage also have access to three fully insured Medicare Advantage plans through People's Health, Humana, and Blue Cross, and an Individual Medicare Market Exchange product through Via Benefits that provides monthly health reimbursement arrangement credits.

The employer and employee contribution percentage are based on the years of participation in an OGB plan at retirement. 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 spousal coverage. The total monthly premium for retirees in the basic or supplemental life insurance plan varies according to age group.

Employer contributions for health premiums of retired employees for the fiscal year ended June 30, 2025, totaled $451,773.

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 2025, neither the College nor the state of Louisiana made contributions to a postemployment benefits plan trust. There are no assets accumulated in a trust that meet the criteria of paragraph 4 of GASB Statement 75. The plan is funded on a "pay-as-you-go basis" under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments become due.

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

At June 30, 2025, the College reported a liability of $8,541,481 for its proportionate share of the total collective OPEB liability, of which $451,773 is current, and the remaining $8,089,708 is noncurrent. The total collective OPEB liability was measured as of July 1, 2024, and was determined by an actuarial valuation as of that date.

The College's proportionate share percentage is based on the employer's individual Total OPEB liability (TOL) in relation to the combined TOL for all participating entities included in the State of Louisiana reporting entity. At July 1, 2024, the most recent measurement date, the College's proportion and the change in proportion from the prior measurement date was 0.1093%, or a decrease of 0.0073%.

For the year ended June 30, 2025, the College recognized total OPEB expense of $209,374. At June 30, 2025, the College 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	$146,385	
Changes of assumptions or other inputs	635,345	$980,800
Changes in employer's proportionate share	366,822	612,579
Difference between change in employer's proportionate share of benefit payments and actual benefit payments	384,269	
Employer's benefit payments made subsequent to the measurement date	451,773	
Total	$1,984,594	$1,593,379

Deferred outflows of resources related to OPEB resulting from the College's benefit payments subsequent to the measurement date will be recognized as a reduction of the total collective OPEB liability in the year ended June 30, 2026. 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
2026	($200,373)
2027	4,290
2028	110,693
2029	24,832
	($60,558)

Actuarial Assumptions

The total collective OPEB liability in the July 1, 2024, 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, 2024
Actuarial Cost Method	Entry Age Normal, level percentage of pay. Service costs are attributed through all assumed ages of exit from active service. For current DROP participants, assumed exit from active service is the date at which DROP ends.
Inflation Rate	2.40%

Salary Increase Rate	Consistent with the assumptions for the pension plans disclosed in note 6.
Discount Rate	3.93% based on June 30, 2024, Bond Buyer 20 Index rate.
Healthcare cost trend rates	The combined effect of price inflation and utilization on gross eligible medical and prescription drug charges is according to the table below. The initial trend rate was developed using the National Health Care Trend Survey. The ultimate trend is developed based on a building block approach with considers CPI, GDP, and Technology growth.

From Year	To Year	Pre-Medicare	Medicare
2024	2025	8.50%	7.50%
2025	2026	8.25%	7.00%
2026	2027	8.00%	6.50%
2027	2028	7.75%	6.30%
2028	2029	7.50%	6.10%
2029	2030	7.00%	6.00%
2030	2031	6.50%	5.75%
2031	2032	6.00%	5.50%
2032	2033	5.50%	5.25%
2033	2034	5.00%	5.00%
2034+		4.50%	4.50%

Per Capita Costs	Per capita costs for the self-insured plans were based on medical and prescription drug claims for retired participants for the period January 1, 2023, through December 31, 2024. The claims experience was trended to the valuation date. Per capita costs for the fully-insured plans were based on calendar year 2025 premiums adjusted to the valuation date using the Medicare trend assumption. Per capita costs were adjusted for expected age-related differences in morbidity, where applicable.
Age Related Morbidity	Per capita costs (PCCs) were adjusted to reflect expected cost differences due to age and gender.
Mortality rates	Assumptions are consistent with the pension plans disclosed in note 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, 2025, 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, 2021, through June 30, 2024. Other actuarial demographic assumptions are based on an experience study of OPEB plan experience for the period July 1, 2021, through June 30, 2024.

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

- The discount rate decreased from 4.13% to 3.93%.
- Baseline per capita costs (PCCs) were updated to reflect 2024 claims and enrollment.
- Medical plan election percentages were updated based on the coverage elections of recent retirees.
- One of the associated pension systems, LASERS adopted new assumptions in the June 30, 2024 valuation based on updated experience study. As a result, the mortality, retirement, termination, disability, and salary increase rates for the LASERS groups were updated to be consistent with the pension valuation assumptions. The net impact of this change is a decrease in the Plan's liability.
- The pre-Medicare baseline trend was updated to more accurately reflect recent healthcare trend survey results, industry-wide expectations, and the current high-inflationary environment. Pre-Medicare trend has been revised to 8.5%, trending down 25 basis points per year through 2028-2029 then by 50 basis points each year, beginning in 2029-2030, to an ultimate rate of 4.5% by FYE 2035. Medicare trend has been revised to 7.50%, trending down to an ultimate rate of 4.50% by FYE 2035. Changes to the Medicare trend were made to reflect revised expectations regarding the impact of the Inflation Reduction Act (IRA) on Medicare prescription drug costs. This change caused an increase in the Plan's liability.

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

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

	1.0% Decrease	Current Discount Rate	1.0% Increase
	2.93%	3.93%	4.93%
Proportionate Share of Total Collective OPEB Liability	$9,709,800	$8,541,481	$7,585,941

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

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

	1.0% Decrease	Current Healthcare Cost Trend Rates	1.0% Increase
Pre- 65 Rates	(7.5% decreasing to 3.5%)	(8.50% decreasing to 4.5%)	(9.50% decreasing to 5.5%)
Post-65 Rates	(6.50% decreasing to 3.5%)	(7.50% decreasing to 4.5%)	(8.50% decreasing to 5.5%)
Proportionate Share of Total Collective OPEB Liability	$7,625,365	$8,541,481	$9,671,305

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.

Years of Service	Participation Percentage
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 College's Proportionate Share of the Total Collective OPEB Liability is presented as required supplementary information following the Notes to the Financial Statements.

9. ACCOUNTS PAYABLE AND ACCRUALS

The following is a summary of accounts payable and accruals at June 30, 2025:

Accrued salaries and benefits	$220,194
Travel and training	192
Operating services	197,846
Supplies	27,508
Other charges	126
Capital outlay	108,638
Total	$554,504

10. UNEARNED REVENUES

The following is a summary of unearned revenues at June 30, 2025:

Prepaid tuition and fees	$210,107
Total	$210,107

11. 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, faculty appointed for 9 or 10 months do not earn annual leave. Compensatory leave is leave earned in lieu of paying an eligible non-exempt unclassified employee for overtime hours worked. To determine non-exempt or exempt positions, the System and its member colleges follow the Fair Labor Standards Act status of exempt or non-exempt.

Upon separation or termination of employment, classified and non-classified personnel (or their heirs) are compensated for accumulated annual leave not to exceed 300 hours. In addition, academic 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, 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.

The College recognizes a liability for compensated absences in accordance with GASB Statement No. 101, *Compensated Absences*. This includes leave that:

- Is attributable to services already rendered,

- Accumulates from period to period, and
- Is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

As of June 30, 2025, the liability for compensated absences is estimated based on employees' pay rates as of the financial statement date and includes salary-related payments directly and incrementally associated with leave payments.

The total liability for compensated absences at year-end is as follows:

Annual	$395,969
Sick	798,282
Total	$1,194,251

The leave payable is recorded in the accompanying financial statement as follows:

Current liability-estimated to be paid within one year	$216,251
Long-term liability	978,000
Total liability for compensated absences	$1,194,251

12. LONG-TERM LIABILITIES

The following is a summary of long-term liabilities of the College for the year ended June 30, 2025:

	Balance June 30, 2024	Prior Period Adjustments	Restated Balance June 30, 2024	Additions	Balance June 30, 2025	Portion Due Within One Year
Compensated absences payable (note 11)	$532,954	$620,693	$1,153,647	$40,604	$1,194,251	$216,251
Total long-term liabilities **	$532,954	$620,693	$1,153,647	$40,604	$1,194,251	$216,251

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

13. RESTRICTED NET POSITION

The College has the following restricted net position at June 30, 2025:

Expendable:	
Academic Excellence fee	$283,504
Building Use Fee	86,980
Corrections Initiatives fund	150,848
Higher Education Initiatives fund	214,852
Student Technology fee	403,758
Vehicle Registration fee	254,788
Grants and Contracts	2,242,025
Total expendable	$3,636,755

Of the total net position reported in the Statement of Net Position for the year ended June 30, 2025, $1,394,730 is restricted by enabling legislation (which also includes a legally-enforceable requirement that the resources be used only for the specific purposes stipulated in the legislation).

14. RESTATEMENT OF BEGINNING NET POSITION

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

Statement of Net Position Account Name	Statement of Revenue, Expenses, and Changes in Net Position Account Name	Description	Amount
Net position at June 30, 2024			($2,871,166)
Changes in Accounting Principle:			
None	Net position restatement - change in accounting principle	Implementation of GASB Statement No 101, *Compensated Absences*	($620,693)
Net position at June 30, 2024, as restated			($3,491,859)

The restatements decreased the College's beginning net position by $620,693. The restatements were due to the implementation of GASB Statement No. 101, *Compensated Absences*.

15. CONTINGENT LIABILITIES AND RISK MANAGEMENT

Losses arising from judgments, claims, and similar contingencies are paid through the state's self-insurance fund operated by the Office of Risk Management (ORM), the agency responsible for the state's risk management program, or by appropriation from the state's General Fund. The College is not involved in any lawsuits at June 30, 2025, that are handled by contract attorneys. All other lawsuits are handled by either ORM or the Attorney General's office.

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

16. DEFERRED COMPENSATION PLAN

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

17. FOUNDATION

The accompanying financial statements do not include the accounts of the LCTCS Foundation and the Northwest Louisiana Technical Community College Foundation, Inc. The foundations are not included because they do not meet criteria established by the Division of Administration, Office of Statewide Reporting and Accounting Policy, for determining component units included in the College's financial statement in accordance with GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, an amendment of GASB Statement No. 14. The Foundations are separate corporations whose financial statements are subject to audit by independent certified public accountants.

18. SUBSEQUENT EVENTS

During the 2025 Louisiana Legislative Session, Senate Bill 72 (SB72) was enacted, granting the Louisiana Community and Technical College System (LCTCS) the authority to utilize excess bonding capacity for the construction, renovation, and repair of campuses across the state. SB72 was signed into law by Governor Jeff Landry, effective July 1, 2025, and is now codified as Act 35.

Act 35 represents a significant investment in the future of LCTCS institutions, enabling strategic infrastructure improvements system-wide. The College is expected to benefit from Act 35 through future capital projects aimed at enhancing facilities, expanding capacity, and improving student learning environments. The planned investments reflect the System's commitment to modernizing its campuses and supporting workforce development across Louisiana.

REQUIRED SUPPLEMENTARY INFORMATION

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

Schedule 1 presents the College's Net Pension Liability.

Schedule of the College's Contributions

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

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

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

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

Schedules of Required Supplementary Information
Fiscal Year Ended June 30, 2025

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

Fiscal Year*	College's proportion of the net pension liability (asset)	College's proportionate share of the net pension liability (asset)	College's covered payroll	College's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
Louisiana State Employees' Retirement System					
2016	0.04712%	$3,204,647	$921,884	348%	62.7%
2017	0.04733%	$3,716,357	$757,197	491%	57.7%
2018	0.02519%	$1,773,222	$556,077	319%	62.5%
2019	0.02052%	$1,399,585	$411,648	340%	64.3%
2020	0.02045%	$1,481,585	$403,545	367%	62.9%
2021	0.02111%	$1,745,938	$446,292	391%	58.0%
2022	0.02034%	$1,119,729	$470,558	238%	72.8%
2023	0.02435%	$1,840,419	$456,270	403%	63.7%
2024	0.02243%	$1,501,559	$522,215	288%	68.4%
2025	0.02187%	$1,189,393	$509,386	233%	74.6%
Teachers' Retirement System of Louisiana					
2016	0.10715%	$11,520,528	$4,578,284	252%	62.5%
2017	0.09810%	$11,513,515	$4,458,758	258%	59.9%
2018	0.06121%	$6,274,764	$4,095,958	153%	65.6%
2019	0.06698%	$6,582,415	$3,147,728	209%	68.2%
2020	0.06342%	$6,294,610	$3,130,671	201%	68.6%
2021	0.07170%	$7,975,711	$3,507,591	227%	65.6%
2022	0.06368%	$3,399,516	$3,609,566	94%	83.9%
2023	0.06995%	$6,678,606	$3,685,168	181%	72.4%
2024	0.07415%	$6,702,434	$3,808,641	176%	74.3%
2025	0.07002%	$6,045,379	$3,922,394	154%	76.0%

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

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

Fiscal Year*	(a) Statutorily-required contribution	(b) Contributions in relation to the statutorily-required contribution	(a-b) Contribution deficiency (excess)	College's covered payroll	Contributions as a percentage of covered payroll
Louisiana State Employees' Retirement System					
2016	$280,322	$280,322		$757,197	37.0%
2017	$197,422	$197,422		$556,077	35.5%
2018	$154,957	$154,957		$411,648	37.6%
2019	$153,522	$153,522		$403,545	38.0%
2020	$182,557	$182,557		$446,292	40.9%
2021	$179,894	$179,894		$470,558	38.2%
2022	$178,437	$178,437		$456,270	39.1%
2023	$207,637	$207,637		$522,215	39.8%
2024	$206,333	$206,333		$509,386	40.5%
2025	$164,705	$164,705		$484,208	34.0%
Teachers' Retirement System of Louisiana					
2016	$1,142,447	$1,142,447		$4,458,758	25.6%
2017	$1,015,720	$1,015,720		$4,095,958	24.8%
2018	$808,868	$808,868		$3,147,728	25.7%
2019	$821,533	$821,533		$3,130,671	26.2%
2020	$935,885	$935,885		$3,507,591	26.7%
2021	$911,444	$911,444		$3,609,566	25.3%
2022	$938,716	$938,716		$3,685,168	25.5%
2023	$944,769	$944,769		$3,808,641	24.8%
2024	$940,367	$940,367		$3,922,394	24.0%
2025	$903,072	$903,072		$4,227,919	21.4%

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

Notes to Required Supplementary Information

Changes of Benefit Terms include:

LASERS

2017 (1) A 1.5% COLA, effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session, and

2017 (2) 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 (3) 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 (4) As provided by Act 37 of the 2021 Louisiana Regular Legislative Session, a permanent benefit increase (COLA) was granted to certain retirees whose monthly benefits fell below poverty levels, effective with the June 30, 2021, valuation.

2023 (5) Act 656 of the 2022 Louisiana Regular Legislative Session provided a one-time supplemental payment to eligible retirees and beneficiaries equal to the lesser of the retiree's or beneficiary's monthly benefit, or $2,000.

TRSL

2016 (1) 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 (2) A 1.5% COLA, effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session.

2022 (3) As provided by Act 37 of the 2021 Louisiana Regular Legislative Session, a permanent benefit increase (COLA) was granted to certain retirees whose monthly benefits fell below poverty levels, effective with the June 30, 2021, valuation.

2023 (4) Act 657 of the 2022 Louisiana Regular Legislative Session granted a 2% permanent benefit increase (COLA), effective July 1, 2022, to eligible TRSL retirees, beneficiaries, and survivors calculated on the first $68,396 of their annual benefit.

Changes of Assumptions include:

LASERS

2018 (1) Effective July 1, 2017, the LASERS Board reduced the inflation assumption from 3.0% to 2.75%. Since the inflation assumption is a component of the salary increase assumption, all salary increase assumptions decreased by .25% in the June 30, 2017, valuation.

2018 (2) Effective July 1, 2017, the projected contribution requirement includes direct funding of administrative expenses, rather than a reduction in the assumed rate of return, per Act 94 of 2016.

2018-2021 (3) Effective July 1, 2017, the LASERS board adopted a plan to gradually reduce the discount rate from 7.75% to 7.50% in .05% annual increments. Therefore, the discount rate was reduced from 7.75% to 7.70% for the June 30, 2017, valuation, to 7.65% for the June 30, 2018, valuation, to 7.60% for the June 30, 2019 valuation, and to 7.55% for the June 30, 2020 valuation.

2020 (4) Retirement, termination, disability, inflation, salary increase, and expected remaining service life assumptions and methods were updated with the June 30, 2019 valuation to reflect the results of the most recent experience study observed for the period July 1, 2013 - June 30, 2018.

2021 (5) Effective July 1, 2020, the LASERS Board reduced the inflation assumption from 2.5% to 2.3%. Since the inflation assumption is a component of the salary increase assumption, all salary increase assumptions decreased by .2% in the June 30, 2020 valuation.

2022 (6) The discount rate was reduced from 7.55% to 7.40% for the June 30, 2021 valuation.

2023 (7) The discount rate was reduced from 7.40% to 7.25% for the June 30, 2022 valuation.

2025 (8) Inflation rate, mortality, termination, retirement, disability, and salary increase assumptions were updated with the June 30, 2024 valuation to reflect the results of the most recent experience study observed for the period July 1, 2018 - June 30, 2023.

2025 (9) As of June 30, 2024, the Unfunded Actuarial Accrued Liability (UAL) funded ratio exceeds 70%; therefore, the change in liability due to assumption changes and the experience gain/loss are amortized over 20 years instead of 30 years, per Act 94 of 2016.

TRSL

2018 (1) Effective July 1, 2017, the projected contribution requirement includes direct funding of administrative expenses, rather than a reduction in the assumed rate of return, per Act 94 of 2016.

2018-2021 (2) Effective July 1, 2017, the TRSL board adopted a plan to gradually reduce the discount rate from 7.75% to 7.50% in .05% annual increments. Therefore, the discount rate was reduced from 7.75% to 7.70% for the June 30, 2017 valuation and to 7.65% for the June 30, 2018 valuation. The TRSL Board accelerated the plan with a .10% reduction in the discount rate for the June 30, 2019 valuation and adopted further reductions in the discount rate for the June 30, 2020 valuation. Therefore, the discount rate was reduced from 7.65% to 7.55% for the June 30, 2019 valuation and from 7.55% to 7.45% for the June 30, 2020 valuation.

2019 (3) Demographic, mortality, and salary increase assumptions were updated with the June 30, 2018, valuation to reflect the results of the most recent experience study observed for the period July 1, 2012 - June 30, 2017.

2021 (4) Effective July 1, 2020, the TRSL Board reduced the inflation assumption from 2.5% to 2.3%. Since the inflation assumption is a component of the salary increase assumption, all salary increase assumptions decreased by .2% in the June 30, 2020 valuation.

2022 (5) The discount rate was reduced from 7.45% to 7.40% for the June 30, 2021 valuation.

2023 (6) The discount rate was reduced from 7.40% to 7.25% for the June 30, 2022 valuation.

2024 (7) Inflation rate, mortality, termination, retirement, disability, and salary increase assumptions were updated with the June 30, 2023 valuation to reflect the results of the most recent experience study observed for the period July 1, 2017 - June 30, 2022.

Changes to Covered Payroll:

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

Changes in Size or Composition of the Population:

2016 Factors that significantly affect trends in the amounts in the RSI include the implementation of staff attrition and hiring freeze at the College during fiscal year 2016.

2017 Factors that significantly affect trends in the amounts in the RSI include a reduction of force/layoff at the College which was implemented during fiscal year 2017.

2018 The Sabine Valley Campus and the Natchitoches campus realigned with the Central Louisiana Technical Community College during fiscal year 2018.

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

Schedule of the College's Proportionate Share of the Total Collective OPEB Liability Fiscal Year Ended June 30, 2025

Fiscal Year*	College's proportion of the total collective OPEB liability	College's proportionate share of the total collective OPEB liability	College's covered-employee payroll	College's proportionate share of the total collective OPEB liability as a percentage of the covered-employee payroll
2017	0.1416%	$12,849,307	$3,813,808	337%
2018	0.1416%	$12,308,037	$3,327,937	370%
2019	0.1328%	$11,336,799	$2,667,397	425%
2020	0.1306%	$10,084,680	$2,689,801	375%
2021	0.1203%	$9,967,465	$3,186,104	313%
2022	0.1042%	$9,538,274	$3,082,854	309%
2023	0.1164%	$7,853,572	$2,886,464	272%
2024	0.1166%	$8,337,739	$3,135,446	266%
2025	0.1093%	$8,541,481	$2,988,437	286%

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

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

Notes to Required Supplementary Information

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

Changes of Assumptions include:

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

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

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

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

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

The July 1, 2022 valuation reflects the following changes of assumptions and other inputs:
(1) increased the discount rate from 2.18% to 4.09%.
(2) the baseline per capita costs were updated to reflect 2022 claims and enrollment.
(3) medical plan election percentages were updated based on the coverage elections of recent retirees and a review of the past three years of experience.
(4) the withdrawal assumption for LASERS Wildlife participants and the mortality rate assumptions for LASERS public safety participants were updated consistent with the June 30, 2022, LASERS pension valuation.

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

The July 1, 2024 valuation reflects the following changes of assumptions and other inputs:
(1) decreased the discount rate from 4.13% to 3.93%.
(2) the baseline per capita costs were updated to reflect 2024 claims and enrollment.
(3) medical plan election percentages were updated based on the coverage elections of recent retirees and a review of the past three years of experience.
(4) updated mortality, retirement, termination, disability, and salary assumptions consistent with the LASERS plan based on recent experience studies reflected in the June 30, 2024 pension valuation.
(5) the healthcare cost trend was updated. The pre-Medicare baseline trend was updated to more accurately reflect recent healthcare trend survey results, industry-wide expectations, and the current high-inflationary environment. The Medicare trend was further adjusted to reflect the impact of certain provisions of the Inflation Reduction Act (IRA) on Medicare prescription drug costs.

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.

January 23, 2026

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

NORTHWEST LOUISIANA TECHNICAL COMMUNITY COLLEGE
LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA
Minden, 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 Northwest Louisiana Technical Community College (College), a college within the Louisiana Community and Technical College System (System), a component unit of the State of Louisiana, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated January 23, 2026.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Respectfully submitted,

Michael J. "Mike" Waguespack, CPA
Legislative Auditor

KDN:CLL:JPT:BQD:aa

NWLTCC 2025