

LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA

A COMPONENT UNIT OF THE
STATE OF LOUISIANA



FINANCIAL STATEMENT AUDIT
FOR THE YEAR ENDED JUNE 30, 2015
ISSUED DECEMBER 23, 2015

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

December 16, 2015

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Louisiana Community and Technical College System (System), a component unit of the state of Louisiana, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the South Louisiana Facilities Corporation; the BRCC Facilities Corporation; Campus Facilities, Inc.; or the LCTCS Facilities Corporation, blended component units which represent 50.06%, 38.08%, 24.75%, 5.74%, and 4.20%, respectively, of the assets, liabilities, net position, revenues, and expenses of the System. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the South Louisiana Facilities Corporation; the BRCC Facilities Corporation; Campus Facilities, Inc.; and the LCTCS Facilities Corporation, is based solely on the reports of the other auditors.

We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the System as of June 30, 2015, 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.

Emphasis of Matters

As disclosed in note 6 to the financial statements, the net pension liability for the System was \$385,222,972 at June 30, 2015, as determined by the Louisiana State Employees' Retirement System (LASERS) and Teachers' Retirement System of Louisiana (TRSL). The related actuarial valuation was performed by LASERS's and TRSL's actuaries using various assumptions. Because actual experience may differ from the assumptions used, there is a risk that this amount at June 30, 2015, could be under or overstated.

As discussed in notes 1-N and 15 to the financial statements, the System implemented Governmental Accounting Standards Board (GASB) Statement 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, for the year ended June 30, 2015. The adoption of these standards required the System to record its proportionate share of pension amounts related to its participation in cost-sharing, multiple-employer defined benefit pension plans, restating the previous year. As a result of the implementation, the System's net position decreased by \$385,715,760.

Our opinion is not modified with respect to the matters emphasized previously.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 7 through 15, the Schedule of the System's Proportionate Share of the Net Pension Liability on page 60, the Schedule of the System's Contributions on page 60, and the Schedule of Funding Progress for Other Postemployment Benefits Plan on page 61 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by GASB, 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit for the year ended June 30, 2015, was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the System's basic financial statements. The accompanying supplementary information schedules of per diem paid board members (page 63) and combining financial schedules on pages 64 through 75 for the year ended June 30, 2015, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2015, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of other auditors, the supplementary information schedules of per diem paid board members and combining financial schedules for the fiscal year ended June 30, 2015, are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2015.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the System as of and for the year ended June 30, 2014 (not presented herein), and have issued our report thereon dated

December 10, 2014, which contained an unmodified opinion on the respective financial statements of the business-type activities. The combining financial schedules on pages 76 through 85 for the year ended June 30, 2014, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2014 financial statements. The combining financial schedules for the year ended June 30, 2014, have been subjected to the auditing procedures applied in the audit of the 2014 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedules for the fiscal year ended June 30, 2014, are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2014.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2015, on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

Respectfully submitted,



Daryl G. Purpera, CPA, CFE
Legislative Auditor

KLD:ZMF:CLL:BQD:EFS:aa

LCTCS 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis of the Louisiana Community and Technical College System's (System) financial performance presents a narrative overview and analysis of the System's financial activities for the year ended June 30, 2015. This document focuses on the current-year's activities, resulting changes, and currently-known facts in comparison with the prior-year's information. Please read this document in conjunction with the System's financial statements. The System is comprised of the following entities:

- Board Office
- Baton Rouge Community College
- Bossier Parish Community College
- Central Louisiana Technical Community College
- Delgado Community College
- Elaine P. Nunez Community College
- LCTCS Online
- L.E. Fletcher Technical Community College
- Louisiana Delta Community College
- Northshore Technical Community College
- Northwest Louisiana Technical College
- River Parishes Community College
- South Central Louisiana Technical College
- South Louisiana Community College
- SOWELA Technical Community College

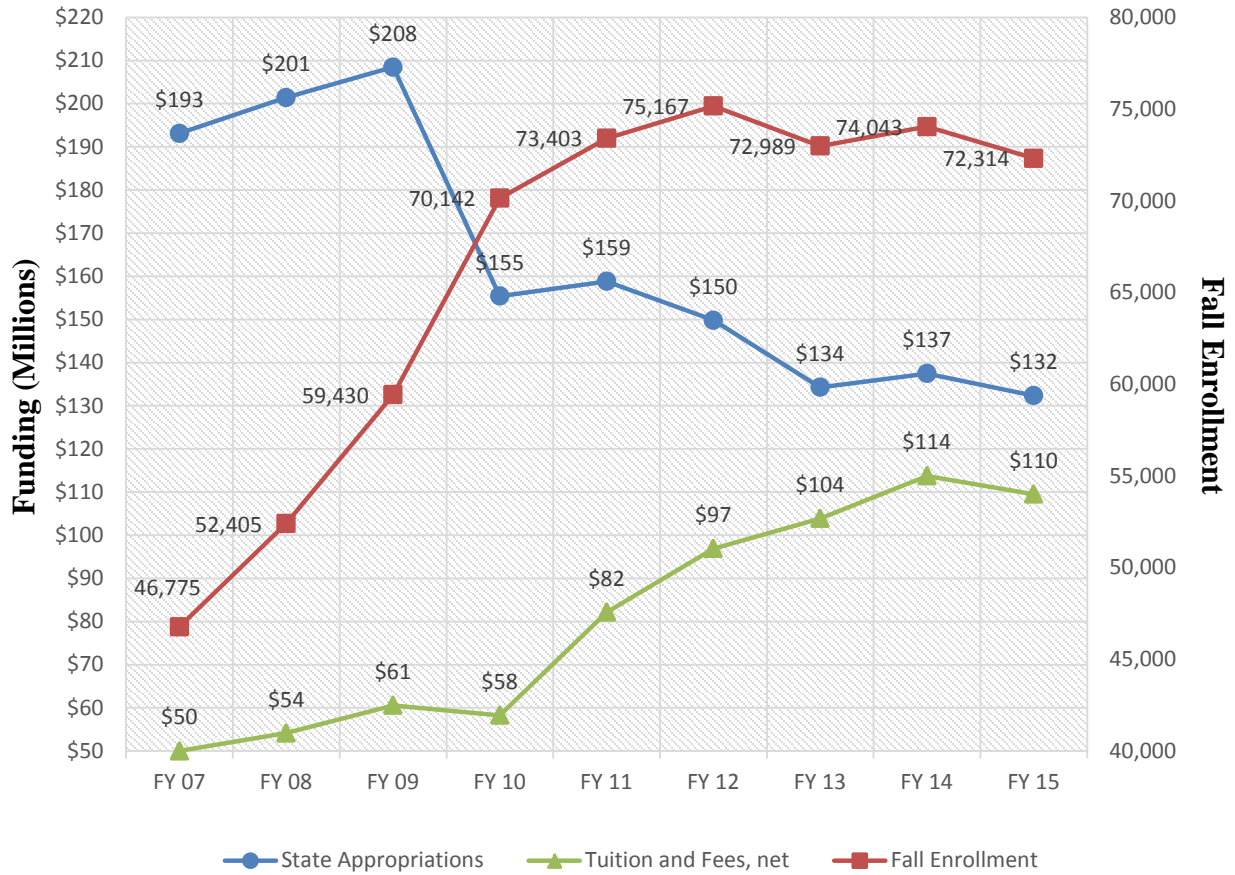
- Facilities Corporations
 - BRCC Facilities Corporation
 - Campus Facilities, Inc.
 - Delta Campus Facilities Corporation
 - LCTCS Facilities Corporation
 - South Louisiana Facilities Corporation

FINANCIAL HIGHLIGHTS

The System's net position overall decreased from \$146.8 million (restated for items other than GASB 68) to a negative \$179.3 million from July 1, 2014, to June 30, 2015. This decrease is due to the implementation of GASB Statement No. 68 which required, for the first time, the recording of a \$385 million pension liability.

The chart below shows the change in the System's level of state funding in relation to the net tuition and fees and student enrollment for Fiscal Year 2007 through Fiscal Year 2015.

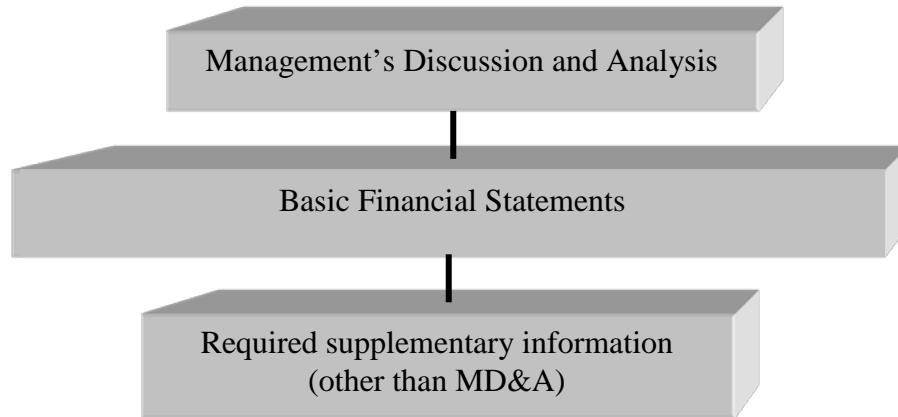
Comparison of LCTCS Funding and Fall Student Enrollment FY07 through FY15



Source: LCTCS Fiscal Year 2015 Annual Financial Report

OVERVIEW OF THE FINANCIAL STATEMENTS

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



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the Notes to the Financial Statements), and required supplementary information.

Basic Financial Statements

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

The Statement of Net Position (pages 16-17) presents assets, deferred outflows of resources, liabilities, and deferred inflows of resources separately. The difference between assets plus deferred outflows and liabilities plus deferred inflows is net position and may provide a useful indicator of whether the financial position of the System is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Position (pages 18-19) presents information showing how the System's net position changed as a result of current-year operations. Regardless of when cash is affected, all changes in net position are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flows (pages 20-21) presents information showing how the System's cash changed as a result of current-year operations. The Statement of Cash Flows is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB Statement No. 34.

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

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

FINANCIAL ANALYSIS

Table A-1
Louisiana Community and Technical College System
Comparative Statement of Net Position
(in thousands of dollars)
For the Fiscal Years Ended June 30, 2015 and 2014

	2015	2014 (Restated)	Variance	Percentage Change
*				
Assets:				
Current and other assets	\$386,558	\$252,604	\$133,954	53.0%
Capital assets	488,184	426,649	61,535	14.4%
Total assets	<u>874,742</u>	<u>679,253</u>	<u>195,489</u>	28.8%
Total deferred outflow of resources	<u>65,752</u>	<u>0</u>	<u>65,752</u>	100.0%
Total assets and deferred outflow of resources	<u><u>\$940,494</u></u>	<u><u>\$679,253</u></u>	<u><u>\$261,241</u></u>	38.5%
Liabilities:				
Current liabilities	\$64,712	\$67,188	(\$2,476)	(3.7%)
Long-term liabilities	996,099	465,259	530,840	114.1%
Total liabilities	<u>1,060,811</u>	<u>532,447</u>	<u>528,364</u>	99.2%
Total deferred inflow of resources	<u>58,979</u>	<u>0</u>	<u>58,979</u>	100.0%
Total liabilities and deferred inflow of resources	<u><u>\$1,119,790</u></u>	<u><u>\$532,447</u></u>	<u><u>\$587,343</u></u>	110.3%
Net Position:				
Net investment in capital assets	\$203,491	\$163,092	\$40,399	24.8%
Restricted	114,226	88,547	25,679	29.0%
Unrestricted	<u>(497,013)</u>	<u>(104,833)</u>	<u>(392,180)</u>	374.1%
Total net position	<u><u>(\$179,296)</u></u>	<u><u>\$146,806</u></u>	<u><u>(\$326,102)</u></u>	(222.1%)

*Amounts for 2014 were restated for items not including GASB Statement No. 68 regarding pensions. The restatement of the prior year for GASB 68 was not practical.

This schedule is prepared from the System's Statement of Net Position as shown on pages 16-17, which is presented on an accrual basis of accounting.

The System's net position overall decreased from \$146.8 million (restated for items other than GASB 68) to a negative \$179.3 million, or 222%, from July 1, 2014, to June 30, 2015. This decrease is due to the implementation of GASB Statement No. 68 which required, for the first time, the recording of a \$385 million pension liability.

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

Table A-2
Louisiana Community and Technical College System
Comparative Statement of Revenues,
Expenses, and Changes in Net Position
(in thousands of dollars)
For the Fiscal Years Ended June 30, 2015 and 2014

	2015	* 2014 (Restated)	Variance	Percentage Change
Operating revenues:				
Student tuition and fees, net	\$109,502	\$111,490	(\$1,988)	(1.8%)
Grants and contracts	61,065	61,458	(393)	(0.6%)
Sales and services of education departments	160	145	15	10.4%
Auxiliary, net	2,848	2,743	105	3.8%
Other	580	355	225	63.4%
Total operating revenues	<u>174,155</u>	<u>176,191</u>	<u>(2,036)</u>	<u>(1.2%)</u>
Nonoperating revenues:				
State appropriations	132,345	137,474	(5,129)	(3.7%)
Gifts	1,242	427	815	190.9%
Investment Income	511	1,088	(577)	(53.0%)
Federal nonoperating revenues	146,223	139,456	6,767	4.9%
Other nonoperating revenues	10,449	0	10,449	100.0%
Total nonoperating revenues	<u>290,770</u>	<u>278,445</u>	<u>12,325</u>	<u>4.4%</u>
Total revenues	<u>464,925</u>	<u>454,636</u>	<u>10,289</u>	<u>2.3%</u>
Operating expenses:				
Education and general:				
Instruction	178,588	177,661	927	0.5%
Public service	1,303	1,064	239	22.5%
Academic support	50,106	39,620	10,486	26.5%
Student services	34,241	31,718	2,523	8.0%
Institutional support	75,876	82,684	(6,808)	(8.2%)
Operations and maintenance of plant	42,015	38,417	3,598	9.4%
Depreciation	24,172	22,408	1,764	7.9%
Scholarships and fellowships	68,458	78,395	(9,937)	(12.7%)
Auxiliary enterprises	3,194	3,439	(245)	(7.1%)
Other operating expenses	279	116	163	140.5%
Total operating expenses	<u>478,232</u>	<u>475,522</u>	<u>2,710</u>	<u>0.6%</u>
Nonoperating expenses:				
Interest expense	10,934	11,408	(474)	(4.2%)
Other nonoperating expenses	0	338	(338)	(100.0%)
Total nonoperating expenses	<u>10,934</u>	<u>11,746</u>	<u>(812)</u>	<u>(6.9%)</u>
Total expenses	<u>489,166</u>	<u>487,268</u>	<u>1,898</u>	<u>0.4%</u>
Loss before other revenues	<u>(24,241)</u>	<u>(32,632)</u>	<u>8,391</u>	<u>(25.7%)</u>
Capital appropriations	45,777	36,439	9,338	25.6%
Capital grants and gifts	37,976	3,969	34,007	856.8%
Other deductions, net	(85)	(196)	111	(56.6%)
Additions to permanent endowment	187	7	180	(2,571.4%)
Other revenues	<u>83,855</u>	<u>40,219</u>	<u>43,636</u>	<u>108.5%</u>
Change in net position	59,614	7,587	52,027	685.7%
Net position at beginning of year, restated	<u>(238,910)</u>	<u>139,219</u>	<u>(378,129)</u>	<u>(271.6%)</u>
Net position at end of year	<u>(\$179,296)</u>	<u>\$146,806</u>	<u>(\$326,102)</u>	<u>(222.1%)</u>

* Amounts for 2014 were restated for items not including GASB Statement No. 68 regarding pensions. The restatement of the prior year for GASB 68 was not practical.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2015, the System had invested approximately \$488 million in capital assets, net of accumulated depreciation. This amount represents a net increase (including additions and disposals, net of depreciation) of approximately \$62 million, or 14%, from the previous fiscal year. More detailed information about the System's capital assets is presented in note 5 to the financial statements.

Table A-3
Louisiana Community and Technical College System
Capital Assets, Net of Depreciation
(in thousands of dollars)
As of June 30, 2015 and 2014

	2015	2014 (Restated)	Variance	Percentage Change
Land and improvements	\$45,213	\$41,417	\$3,796	9.2%
Buildings	370,598	311,272	\$59,326	19.1%
Equipment	19,368	20,977	(\$1,609)	(7.7%)
Software	12,443	13,556	(\$1,113)	(8.2%)
Construction-in-progress	40,562	39,427	1,135	2.9%
Total	<u>\$488,184</u>	<u>\$426,649</u>	<u>\$61,535</u>	14.4%

Debt

The System had \$454 million in bonds and notes outstanding at year-end, compared to \$318 million last year, an increase of 43%. The increase is due to issuance of \$128.3 million in revenue bonds at a premium of \$18.3 million. More detailed information is presented in note 13 to the financial statements.

ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

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

- Continued reduction in state appropriations because of budget shortfall
- Changes in federal grant programs (A significant amount of revenue flows from the federal government through the System. A change in policy at the federal level can have dramatic effects on the operations.)

- New bonds issued by blended component units (More detailed information is presented in note 13 to the financial statements.)
- Significant new or additional capital appropriations
- Capital outlay projects (23 projects) at 14 System locations through Act 391 (R.S. 17:3394.3)
- Capital outlay projects (29 projects) at 13 System locations through Act 360 [(R.S. 17:3394.3(A))]
- Tuition increases

CONTACTING THE LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM'S MANAGEMENT

This financial report is designed to provide our residents, taxpayers, customers, investors, and creditors with a general overview of the System's finances and show the System's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the director of fiscal affairs at (225) 922-2800.

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

**Statement of Net Position
June 30, 2015**

ASSETS

Current assets:

Cash and cash equivalents (note 2)	\$104,139,597
Receivables, net (note 4)	30,604,432
Due from State Treasury	971,316
Due from federal government	15,792,121
Inventories	9,353
Prepaid expenses and advances	1,434,387
Other current assets	21,821
Total current assets	<u>152,973,027</u>

Noncurrent assets:

Restricted assets:

Cash and cash equivalents (note 2)	200,539,719
Investments (note 3)	24,086,802
Receivables, net (note 4)	4,585,920
Other	28,817
Investments (note 3)	46,944
Capital assets, net (note 5)	488,184,149
Other noncurrent assets	4,295,734
Total noncurrent assets	<u>721,768,085</u>
Total assets	<u>874,741,112</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pensions (note 6)	65,751,934
Total deferred outflows of resources	<u>65,751,934</u>

LIABILITIES

Current liabilities:

Accounts payable and accruals (note 9)	32,675,057
Due to federal government	7,216
Unearned revenues (note 10)	12,044,097
Compensated absences payable (notes 11 and 13)	1,946,376
Capital lease obligations (notes 12 and 13)	82,500
Amounts held in custody for others	1,653,348
Bonds payable, net (note 13)	13,607,010
Other current liabilities	2,696,427
Total current liabilities	<u>64,712,031</u>

(Continued)

The accompanying notes are an integral part of this statement.

**LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA
Statement of Net Position
June 30, 2015**

LIABILITIES (CONT.)

Noncurrent liabilities:

Compensated absences payable (notes 11 and 13)	\$16,998,000
Capital lease obligations (notes 12 and 13)	3,010,000
Net pension liability (notes 6 and 13)	385,222,972
Other postemployment benefits payable (notes 8 and 13)	150,709,078
Bonds payable, net (note 13)	<u>440,158,546</u>
Total noncurrent liabilities	<u>996,098,596</u>
Total liabilities	<u><u>1,060,810,627</u></u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to pensions (note 6)	<u>58,978,889</u>
Total deferred inflows of resources	<u><u>58,978,889</u></u>

NET POSITION

Net investment in capital assets	203,491,116
Restricted:	
Nonexpendable (note 14)	4,759,483
Expendable (note 14)	109,466,788
Unrestricted	<u>(497,013,857)</u>
Total net position	<u><u>(\$179,296,470)</u></u>

(Concluded)

The accompanying notes are an integral part of this statement.

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

**Statement of Revenues, Expenses,
and Changes in Net Position
For the Fiscal Year Ended June 30, 2015**

OPERATING REVENUES

Student tuition and fees	\$202,291,927
Less scholarship allowances	(92,790,027)
Net student tuition and fees	<u>109,501,900</u>
Federal grants and contracts	47,571,905
State and local grants and contracts	10,927,888
Nongovernmental grants and contracts	2,566,082
Sales and services of educational departments	159,825
Auxiliary enterprise revenues	2,847,628
Other operating revenues	<u>579,835</u>
Total operating revenues	<u><u>174,155,063</u></u>

OPERATING EXPENSES

Educational and general:	
Instruction	178,588,031
Public service	1,302,747
Academic support	50,106,414
Student services	34,241,578
Institutional support	75,875,991
Operations and maintenance of plant	42,014,861
Depreciation	24,172,519
Scholarships and fellowships	68,457,933
Auxiliary enterprises	3,193,751
Other operating expenses	<u>278,639</u>
Total operating expenses	<u><u>478,232,464</u></u>

OPERATING LOSS (304,077,401)

(Continued)

The accompanying notes are an integral part of this statement.

**LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA
Statement of Revenues, Expenses,
and Changes in Net Position
For the Fiscal Year Ended June 30, 2015**

NONOPERATING REVENUES (Expenses)	
State appropriations	\$132,344,946
Gifts	1,242,445
Federal nonoperating revenues	146,222,757
Investment income	510,735
Interest expense	(10,934,120)
Other nonoperating revenues, net	10,449,132
Net nonoperating revenues	<u>279,835,895</u>
LOSS BEFORE OTHER REVENUES AND ADDITIONS	(24,241,506)
Capital appropriations	45,777,350
Capital grants and gifts	37,976,060
Additions to permanent endowments	187,248
Other deductions, net	<u>(85,864)</u>
INCREASE IN NET POSITION	59,613,288
NET POSITION - BEGINNING OF YEAR (Restated) (note 15)	<u>(238,909,758)</u>
NET POSITION - END OF YEAR	<u><u>(\$179,296,470)</u></u>

(Concluded)

The accompanying notes are an integral part of this statement.

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

**Statement of Cash Flows
For the Fiscal Year Ended June 30, 2015**

CASH FLOWS FROM OPERATING ACTIVITIES:

Tuition and fees	\$112,503,382
Grants and contracts	63,467,792
Sales and services of educational departments	159,825
Auxiliary enterprise receipts	2,616,479
Payments for employee compensation	(190,279,784)
Payments for benefits	(73,634,150)
Payments for utilities	(9,975,396)
Payments for supplies and services	(103,547,972)
Payments for scholarships and fellowships	(68,816,088)
Other payments, net	(2,060,231)
Net cash used by operating activities	<u>(269,566,143)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

State appropriations	131,764,729
Gifts and grants for other than capital purposes	150,590,190
Private gifts for endowment purposes	180,500
Taylor Opportunity Program for Students (TOPS) receipts	9,127,006
TOPS disbursements	(9,193,721)
Federal Emergency Management Agency receipts	2,020,796
Direct lending receipts	129,226,588
Direct lending disbursements	(129,226,588)
Other receipts	2,678,384
Net cash provided by noncapital financing activities	<u>287,167,884</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Proceeds from capital debt	146,642,051
Capital appropriations received	25,150,323
Capital grants and gifts received	20,519,936
Purchases of capital assets	(54,263,921)
Principal paid on capital debt and leases	(11,020,000)
Interest paid on capital debt and leases	(11,918,367)
Other uses	(3,282,708)
Net cash provided by capital and related financing activities	<u>111,827,314</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturities of investments	15,740,054
Interest received on investments	501,018
Purchase of investments	(365,225)
Net cash provided by investing activities	<u>15,875,847</u>

(Continued)

The accompanying notes are an integral part of this statement.

**LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2015**

NET INCREASE IN CASH AND CASH EQUIVALENTS	\$145,304,902
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>159,374,414</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$304,679,316</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:	
Operating loss	(\$304,077,401)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation expense	24,172,519
Pension Expense	38,851,886
Current year pension contributions made subsequent to the measurement date	(45,026,113)
Noncash capital expense	2,674,779
Changes in assets and liabilities:	
Decrease in accounts receivables, net	1,246,628
Decrease in inventories	18,016
Decrease in prepaid expenses and advances	38,322
Decrease in notes receivable	21,473
Decrease in other assets	143,814
(Decrease) in accounts payable and accrued liabilities	(1,886,397)
Increase in unearned revenue	1,214,758
Increase in amounts held in custody for others	315,816
Increase in compensated absences	327,067
Increase in other postemployment benefits payable	12,212,598
Increase in other liabilities	<u>186,092</u>
Net cash used by operating activities	<u><u>(\$269,566,143)</u></u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION:	
Cash and cash equivalents classified as current assets	\$104,139,597
Cash and cash equivalents classified as noncurrent assets	<u>200,539,719</u>
Cash and cash equivalents at end of year	<u><u>\$304,679,316</u></u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:	
Capital appropriations for purchase of equipment, buildings, or land	\$21,975,913
Noncash capital grant/gift of capital assets	27,746,826
(Loss) on disposal of capital assets	(16,593,876)
(Loss) on disposal of construction in progress	(139,623)
Unrealized gain on investments	6,628
Increase in noncapital accounts and contracts payable	376,852
(Decrease) in accrued interest payable	(94,535)
Capitalized interest including capitalized amortization	1,081,684
Amortization of bond premium	585,700
Accretion of bond discount	777,672
Amortization of bond issuance costs	465,993
Increase in capital accounts and retainage payable	200,037
Increase in prepaid capital construction costs	606,249
Non-Employer contributing entity (NCE) revenue	1,091,603

(Concluded)

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

INTRODUCTION

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

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

LCTCS Online is an initiative of the System to provide Louisiana citizens with better access to online courses offered via this college system, encouraging stronger links among Louisiana educational institutions and business, government, and the surrounding community.

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

The System's legacy is to provide thousands of students each year with knowledge, skills, and abilities to improve their lives, careers, families, and communities through the skills needed for

employment in Louisiana's workforce while also providing a venue for students to transfer to Louisiana's outstanding four-year colleges and universities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting principles and reporting standards. These principles are found in the *Codification of Governmental Accounting and Financial Reporting Standards*, published by GASB. The accompanying financial statements have been prepared on the full accrual basis in accordance with accounting principles generally accepted in the United States of America as applied to governmental units. However, there are five nongovernmental blended component units (the BRCC Facilities Corporation; the South Louisiana Facilities Corporation; the Campus Facilities, Inc.; the Delta Campus Facilities Corporation; and the LCTCS Facilities Corporation), which are presented under the *Not-for-Profit Entities* topic of the FASB Accounting Standards Codification (ASC), FASB ASC Topic 958.

B. REPORTING ENTITY

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

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

Criteria described in GASB 2100 were used to evaluate whether potential component units should be blended with the System, discretely reported, disclosed in the Notes to the Financial Statements, or excluded from the reporting entity. This evaluation was made to identify those component units for which the System is financially accountable and other organizations for which the nature and significance of their relationships with the System are such that exclusion would cause the financial statements of the System to be misleading or incomplete.

- The South Louisiana Facilities Corporation is a nonprofit corporation formed in December 2001 to provide funds and oversee construction of the campus for the South Louisiana Community College (SLCC). The corporation has been blended into the System financial statements and, as such, has been appropriately included in the accompanying financial statements. The South Louisiana Facilities Corporation has a June 30 year-end, and audited financial statements for the corporation may be obtained at 301 Main Street, 23rd Floor, Baton Rouge, Louisiana 70825.
- Campus Facilities, Inc., is a nonprofit organization formed in May 2001 to provide funds for and oversee construction of the campus for Bossier Parish Community College (BPCC). The corporation has been blended into the System financial statements and, as such, has been appropriately included in the accompanying financial statements. Campus Facilities, Inc., has a December 31 year-end, and audited financial statements for Campus Facilities, Inc., may be obtained at 4442 Viking Drive, Suite 100, Bossier City, Louisiana 71111.
- BRCC Facilities Corporation is a nonprofit corporation formed in February 2002 to provide funds and oversee construction of the campus for Baton Rouge Community College (BRCC). The corporation has been blended into the System financial statements and, as such, has been appropriately included in the accompanying financial statements. BRCC Facilities Corporation has a June 30 year-end, and audited financial statements for the corporation may be obtained at 201 Community College Drive, Baton Rouge, Louisiana 70806.
- Delta Campus Facilities Corporation is a nonprofit corporation formed in March 2005 to provide funds and oversee construction of the campus for Louisiana Delta Community College (LDCC). The corporation has been blended into the System financial statements and, as such, has been appropriately included in the accompanying financial statements. Delta Campus Facilities Corporation has a December 31 year-end, and audited financial statements for the corporation may be obtained at 1811 Tower Drive, Suite D, Monroe, Louisiana 71201.
- LCTCS Facilities Corporation is a nonprofit corporation formed in August 2007 and began operations October 1, 2009, to provide funds and oversee the purchase, acquisition, construction, design, development, renovation, and equipping of land and facilities for the benefit of 13 community and technical college campuses and a statewide computer information system for the System. The corporation has been blended into the System financial statements and, as such, has been appropriately included in the accompanying financial statements. LCTCS Facilities Corporation has a December 31 year-end, and audited financial statements for the corporation may be obtained at 201 St. Charles Avenue, Suite 4240, New Orleans, Louisiana 70170.

C. BASIS OF ACCOUNTING

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

D. CASH AND CASH EQUIVALENTS

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

E. INVENTORIES

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

F. RESTRICTED CASH AND INVESTMENTS

Restricted cash equivalents consist of assets that are externally restricted to make debt service payments, to maintain sinking or reserve funds, or to purchase or construct capital or other noncurrent assets. These funds are invested in U.S. Treasury money market funds, which are considered to be cash equivalents because of their liquidity. They are maintained in trust accounts created pursuant to trust indentures of the related bonds. These trust accounts, which are administered by a trustee bank, provide for the custody of the assets, debt service payments and bond redemption requirements, and payment of administrative expenses. The bonds were issued in 2002, 2003, and 2008 to finance the costs of development, design, and construction of additions and renovations to SLCC, BPCC, BRCC, and LDCC. During fiscal years 2012 and 2013, the BRCC Facilities Corporation Series 2002, Campus Facilities, Inc., Series 2002, and South Louisiana Facilities Corporations Series 2002 bonds were refunded and revenue refunding bonds were issued. Also, bonds were issued in 2009, 2010, 2011, and 2014 to provide funds

and oversee the purchase, acquisition, construction, design, development, renovation, and equipping of land and facilities for the benefit of 13 community and technical college campuses and a statewide computer information system for LCTCS.

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

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

G. CAPITAL ASSETS

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

estimated useful life of the assets, generally 40 years for buildings and infrastructure, 20 years for depreciable land improvements, and three to 10 years for most movable property. Library collections regardless of age with a total acquisition cost of \$5 million or more will be capitalized and depreciated.

H. UNEARNED REVENUES

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

I. COMPENSATED ABSENCES

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

Upon separation of employment, both classified and non-classified personnel or their heirs are compensated for accumulated annual leave not to exceed 300 hours. In addition, academic and non-classified personnel or their heirs are compensated for accumulated sick leave not to exceed 25 days upon retirement or death. Act 343 of 1993 allows members of the Louisiana State Employees' Retirement System (LASERS), upon application for retirement, the option of receiving an actuarially-determined lump-sum payment for annual and sick leave which 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 and LASERS, but not for the Optional Retirement System.

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

J. NONCURRENT LIABILITIES

Noncurrent liabilities include principal amounts of revenue bonds payable with maturities greater than one year, estimated amounts for accrued compensated absences, capital lease obligations with contractual maturities greater than one year, the pension liability, and 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 the Louisiana State Employees' Retirement System and the Teachers' Retirement System of Louisiana, and additions to/deductions from each system's fiduciary net position have been determined on the same basis as they are reported by the system. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

K. NET POSITION

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

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

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

L. CLASSIFICATION OF REVENUES AND EXPENSES

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

- *Operating revenue* includes activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of

scholarship discounts and allowances; (2) sales and services of educational departments; and (3) most federal, state, and local grants and contracts.

- *Nonoperating revenue* includes activities that have the characteristics of nonexchange transactions, such as state appropriations, certain federal revenues (Pell), gifts and contributions, investment income, and grants that do not have the characteristics of exchange transactions.
- *Operating expenses* generally include transactions resulting from providing goods or services, such as (1) payments to vendors for goods or services, (2) payments to employees for services, and (3) payments for employee benefits.
- *Nonoperating expenses* include transactions resulting from financing activities, capital acquisitions, and investing activities.

M. SCHOLARSHIP DISCOUNTS AND ALLOWANCES

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

N. ADOPTION OF NEW ACCOUNTING PRINCIPLES

For the year ended June 30, 2015, the following statements were implemented: GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. These statements changed the accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts. The cumulative effect of applying these statements is reported as a restatement of beginning net position for fiscal year 2015. The restatement of all prior year accounts was not practical because the earliest available measurement date of the net pension liability is July 1, 2014. See note 15 GASB Statement No. 68, *Pension Restatement* for the effect on the 2015 beginning net position.

O. USE OF ESTIMATES

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

2. CASH AND CASH EQUIVALENTS

At June 30, 2015, the System has cash and cash equivalents (book balances) of \$304,679,316 as follows:

Demand deposits	\$104,687,165
Certificates of deposit	289,136
Cash equivalents - money market funds	199,677,625
Petty cash	<u>25,390</u>
Total	<u><u>\$304,679,316</u></u>

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

Current assets	\$104,139,597
Noncurrent assets	<u>200,539,719</u>
Total	<u><u>\$304,679,316</u></u>

Custodial credit risk is the risk that in the event of a bank failure, the System's deposits may not be returned to it. The System does not have a formally-adopted policy that addresses custodial credit risk of deposits. Under state law, the System's deposits (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. As of June 30, 2015, demand deposits totaling \$571,783 were reported in the financial statements for the BRCC Facilities Corporation; Campus Facilities, Inc.; Delta Campus Facilities Corporation; LCTCS Facilities Corporation; and South Louisiana Facilities Corporation, which were prepared in accordance with the pronouncements of FASB ASC Topic 958. Generally-accepted accounting principles allow for the inclusion, in the same consolidated report, of financial statements prepared in accordance with FASB with those prepared under the standards of GASB. As such, the Notes to the Financial Statements of the corporations do not reflect the requirements of GASB Statement No. 3, as revised by Statement No. 40.

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

3. INVESTMENTS

At June 30, 2015, the System has restricted investments totaling \$24,086,802 and unrestricted investments totaling \$46,944 as follows:

	Fair Value June 30, 2015	Investment Maturities (Years)	Credit Quality Rating
Mutual funds:			
Pooled equity funds - DCC	\$905,425	Not Applicable	Not Applicable
Pooled equity funds - LDCC	316,912	Not Applicable	Not Applicable
Fixed income securities - NCC	260,077	Not Applicable	Not Applicable
Fixed income securities - LDCC	224,803	2.88	Below B
International equity funds - DCC	270,799	Not Applicable	Not Applicable
International equity funds - LDCC	9,198	Not Applicable	Not Applicable
Other mutual Funds - DCC	13,909	Not Applicable	Not Applicable
Other mutual Funds - LDCC	31,056	Not Applicable	Not Applicable
Subtotal - mutual funds	<u>2,032,179</u>		
Investments held by private foundation -			
External investment pool - BRCC	330,191	Not Applicable	Not Rated
External investment pool - FTCC	144,260	Not Applicable	Not Rated
External investment pool - SLCC	40,000	Not Applicable	Not Rated
Nonnegotiable certificates of deposit - SLCC	200,000	1.0	Not Applicable
Nonnegotiable certificates of deposit - BPCC	125,340	1.0	Not Applicable
Nonnegotiable certificates of deposit - SOWELA	46,944	1.1	Not Applicable
Common stocks - DCC	402,269	Not Applicable	Not Applicable
Common stocks - LDCC	50,520	Not Applicable	Not Applicable
Limited partnerships - DCC	15,010	Not Applicable	Not Applicable
Treasury and federal agencies securities - DCC	605,526	Not Applicable	Not Applicable
Nongovernmental obligations - DCC	1,590,270	Not Applicable	Not Applicable
Other - DCC	85,380	Not Applicable	Not Applicable
Other - LDCC	9,470	Not Applicable	Not Applicable
Subtotal	<u>3,645,180</u>		
Facilities Corporations:			
Municipal bonds - LCTCS FC	302,877		
U.S. government and agency obligations - LCTCS FC	18,153,510		
Subtotal - Facilities Corporations	<u>18,456,387</u>		
Total	<u><u>\$24,133,746</u></u>		

These investments are reported at fair market value. They are reported on the Statement of Net Position as noncurrent assets - investments. Investments held by private foundations are in an external investment pool, which is not SEC registered. They are managed in accordance with program requirements specified by the Louisiana Board of Regents that are included in management agreements executed between the System's colleges and their respective foundations. The System's colleges are voluntary participants.

The mutual funds of \$2,032,179 and investments held by the private foundation of \$514,451 are held pursuant to the Board of Regents Endowed Chair, Endowed Professorships, and Endowed Scholarship Program. To reduce overall volatility of investment returns and to provide a hedge

against the effects of economic downturns, the investment policy for that program requires at least 26% of assets be invested in fixed-income funds. The fixed-income funds are diversified among various sectors of the fixed-income market. The overall average quality must be at least A. Interest rate risks are limited by managing their performance using fixed-income indices as benchmarks to gauge and limit such risk. Investments in foreign equity and foreign debt are limited to 50% of the publicly-traded equity and debt securities and publicly-traded debt invested in any single issuer is limited to 5% with the exception of securities issued by the U.S. government or its agencies.

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

Facilities Corporations' investments totaling \$18,456,387 and money market funds totaling \$199,461,803 were reported in the financial statements and Notes to the Financial Statements for the BRCC Facilities Corporation; Campus Facilities, Inc.; Delta Campus Facilities Corporation; LCTCS Facilities Corporation; and South Louisiana Facilities Corporation, which were prepared in accordance with the pronouncements of FASB ASC Topic 958. Generally-accepted accounting principles allow for the inclusion, in the same consolidated report, of financial statements prepared in accordance with FASB, with those prepared under the standards of GASB. As such, the notes to the financial statements of the corporations do not reflect the requirements of GASB Statement No. 3, as revised by Statement No. 40. These investments and money market funds are uninsured and are collateralized by securities held by the financial institution's trust department, but not in the corporation's name.

Included in investments are nonnegotiable certificates of deposit whose original maturities exceed three months. All disclosures required for these deposits are included in note 2.

4. RECEIVABLES

Receivables are shown on the Statement of Net Position, net of an allowance for doubtful accounts, at June 30, 2015. These receivables are composed of the following:

	Receivables	Allowance for Doubtful Accounts	Receivables, Net	Restricted Noncurrent Portion
Student Tuition and Fees	\$33,360,843	(\$10,291,486)	\$23,069,357	
Auxiliary enterprise	991,468		991,468	
Contributions and gifts	4,127,860		4,127,860	\$3,418,931
State and private grants and contracts	4,182,314		4,182,314	1,136,989
Other	2,819,353		2,819,353	30,000
Total	<u>\$45,481,838</u>	<u>(\$10,291,486)</u>	<u>\$35,190,352</u>	<u>\$4,585,920</u>

5. CAPITAL ASSETS

A summary of changes in capital assets for the fiscal year ended June 30, 2015, follows:

	Balance June 30, 2014	Prior Period Adjustment	Adjusted Balance June 30, 2014	Additions	Transfers	Reclassification of CIP	Retirements	Balance June 30, 2015
Capital assets not being depreciated:								
Land	\$25,479,502	\$5,906,052	\$31,385,554	\$3,693,879	\$470,000			\$35,549,433
Non-depreciable land improvements	267,867		267,867					267,867
Construction-in-progress	39,193,418	233,011	39,426,429	60,748,622	(15,967,096)	(\$43,505,862)	(\$139,623)	40,562,470
Total capital assets not being depreciated	64,940,787	6,139,063	71,079,850	64,442,501	(15,497,096)	(43,505,862)	(139,623)	76,379,770
Capital assets being depreciated:								
Land improvements	13,622,053		13,622,053	147,038		68,202		13,837,293
Buildings	436,329,303	15,087,225	451,416,528	7,366,740	22,461,903	41,668,620	(773,032)	522,140,759
Furniture, fixtures, and equipment	107,921,603	(9,597,976)	98,323,627	6,737,471		1,769,040	(2,256,237)	104,573,901
Software	18,477,093		18,477,093	815,477				19,292,570
Total capital assets being depreciated	576,350,052	5,489,249	581,839,301	15,066,726	22,461,903	43,505,862	(3,029,269)	659,844,523
Less accumulated depreciation for:								
Land improvements	(3,858,177)		(3,858,177)	(583,452)				(4,441,629)
Buildings	(139,929,841)	(215,233)	(140,145,074)	(12,103,437)			705,393	(151,543,118)
Furniture, fixtures, and equipment	(77,341,951)	(4,283)	(77,346,234)	(9,556,373)			1,697,096	(85,205,511)
Software	(4,920,629)		(4,920,629)	(1,929,257)				(6,849,886)
Total accumulated depreciation	(226,050,598)	(219,516)	(226,270,114)	(24,172,519)		NONE	2,402,489	(248,040,144)
Total capital assets, being depreciated, net	350,299,454	5,269,733	355,569,187	(9,105,793)	22,461,903	43,505,862	(626,780)	411,804,379
Total capital assets, net	\$415,240,241	\$11,408,796	\$426,649,037	\$55,336,708	\$6,964,807	NONE	(\$766,403)	\$488,184,149

The June 30, 2014, balance of capital assets has been adjusted by \$11,408,796 to reflect prior-period adjustments resulting from the correction of prior-year errors.

GASB Statement No. 14 paragraph 60, requires that if transactions between component units that have different fiscal years result in inconsistencies in amounts reported as due to or due from and so forth, the government should disclose the nature and amount of those transactions in the notes to the financial statements. On March 24, 2015, the LCTCS Facilities Corporation transferred two tracts of land together with all buildings and improvements thereon, to the state of Louisiana, for the use and benefit of the Louisiana Community and Technical College System, Baton Rouge Community College, in the amount of \$6,965,000. This transaction is reflected in the Capital Assets as land addition in the amount of \$470,000 and a building addition in the amount of \$6,495,000. The LCTCS Facilities Corporation and Baton Rouge Community College are blended component units of the Louisiana Community and Technical College System and have a December 31 and a June 30 fiscal year-end, respectively.

6. PENSION PLANS

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

these reports for LASERS and TRSL may be obtained at www.lasersonline.org and www.trsl.org, respectively.

TRSL also administers an optional retirement plan (ORP), which was created by Louisiana Revised Statute (R.S.) 11:921-931 for academic and administrative employees of public institutions of higher education and is considered a defined contribution plan (see note 7 on page 39). A portion of the employer contributions for ORP plan members is dedicated to the unfunded accrued liability of the TRSL defined benefit plan.

General Information about the Pension Plans

Plan Descriptions/Benefits Provided

Louisiana State Employees' Retirement System (LASERS) - LASERS administers a plan to provide retirement, disability, and survivor's benefits to eligible state employees and their beneficiaries as defined in R.S. 11:411-414. The age and years of creditable service (service) required in order 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. 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.

The substantial majority of members may retire with full benefits at any age upon completing 30 years of service and at age 60 upon completing five to 10 years of service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially-reduced benefit. Eligibility for retirement benefits and the computation of retirement benefits are provided for in R.S. 11:444. The basic annual retirement benefit for members is equal to a percentage (between 2.5% and 3.5%) of average compensation multiplied by the number of years of service, generally not to exceed 100% of average compensation. Average compensation is defined 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 after that date. A member leaving service before attaining minimum retirement 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.

Eligibility requirements and benefit computations for disability benefits are provided for in R.S. 11:461. All members with 10 or more years of service, or members aged 60 or older regardless of date of hire, who become disabled may receive a maximum disability benefit equivalent to the regular retirement formula without reduction by reason of age. Hazardous duty personnel who become disabled in the line of duty will receive a disability benefit equal to 75% of final average compensation.

Provisions for survivor's benefits are provided for in R.S. 11:471-478. Under these statutes, the deceased member 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 twenty years of service regardless of when earned in order for a benefit to be paid to

a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The minimum service requirement is 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.

LASERS has established a Deferred Retirement Option Plan (DROP). When members enter 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, members must choose among available alternatives for the distribution of benefits that have accumulated in their DROP accounts.

Teachers' Retirement System of Louisiana - 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. Eligibility for retirement benefits and the calculation of retirement benefits are provided for in R.S. 11:761. Statutory changes closed existing, and created new sub-plans for members hired on or after January 1, 2011.

Most members 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. Retirement benefits are calculated by applying a percentage ranging from 2% to 3% of final average salary multiplied by years of service. Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2011, or highest 60 consecutive months of employment for members employed after that date.

Under R.S. 11:778 and 11:779, members who have suffered a qualified disability are eligible for disability benefits if employed prior to January 1, 2011, and attained at least five years of service, or if employed on or after January 1, 2011, and attained at least 10 years of service. Members employed prior to January 1, 2011, receive disability benefits equal to 2½% of average compensation multiplied by the years of service, but not more than 50% of average compensation subject to statutory minimums. Members employed on or after January 1, 2011, receive disability benefits equivalent to the regular retirement formula without reduction by reason of age.

Survivor benefits are provided for in R.S. 11:762. In order for survivor benefits to be paid, the deceased member must have been in state service at the time of death and must have a minimum of five years of service, at least two of which were earned immediately prior to death, or must have had a minimum of twenty years of service regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Survivor benefits are equal to 50% of the benefit to which the member would have been entitled if retired on the date of death using a factor of 2½% regardless of years of service or age, or \$600 per month, whichever is greater. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The minimum service credit requirement is 10 years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or a qualified handicapped child.

TRSL has established a DROP plan. When members enter 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, members must choose among available alternatives for the distribution of benefits that have accumulated in their DROP accounts

Cost of Living Adjustments

As fully described in Title 11 of the Louisiana Revised Statutes, LASERS and TRSL allow for the payment of cost of living adjustments, or COLAs, that are funded through investment earnings when recommended by the board of trustees and approved by the legislature. These ad hoc COLAs are not considered to be substantively automatic.

Contributions

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily-established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee. For those members participating in the TRSL defined contribution ORP, a portion of the employer contributions are used to fund the TRSL defined benefit plan's unfunded accrued liability.

Employer contributions to LASERS for fiscal year 2015 were \$7,638,053, with active member contributions ranging from 7.5% to 8%, and employer contributions of 37%. Employer defined benefit plan contributions to TRSL for fiscal year 2015 were \$37,388,060, with active member contributions of 8% and employer contributions of 22.7% and 26.4% for ORP and defined benefit plan employees, respectively. Non-employer contributing entity contributions to TRSL, which are comprised of ad valorem tax revenue, totaled \$1,091,603 for fiscal year 2015, and were recognized as revenue by the System.

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

At June 30, 2015, the System reported liabilities of \$74,663,401 and \$310,559,571 under LASERS and TRSL, respectively, for its proportionate share of the Net Pension Liability (NPL). The NPL for LASERS and TRSL was measured as of June 30, 2014, and the total pension liabilities used to calculate the NPL were determined by actuarial valuations as of that date. The System's proportions of the NPL were based on projections of the System's long-term share of contributions to the pension plans relative to the projected contribution of all participating employers, actuarially determined. As of June 30, 2014, the most recent measurement date, the System's proportions and the changes in proportion from the prior measurement date were 1.19406%, or an increase of 0.17200% for LASERS and 3.03832%, or an increase of 0.07619% for TRSL.

For the year ended June 30, 2015, the System recognized a total pension expense of \$38,851,886, or \$9,816,251 and \$29,035,635 for LASERS and TRSL, respectively. The System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	LASERS	TRSL	Total	LASERS	TRSL	Total
Differences between expected and actual experience				\$1,330,410	\$2,973,345	\$4,303,755
Net difference between projected and actual earnings on pension plan investments				9,445,634	39,628,101	49,073,735
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$8,452,489	\$12,273,332	\$20,725,821	423,884	5,177,515	5,601,399
Employer contributions subsequent to the measurement date	7,638,053	37,388,060	45,026,113			
Total	<u>\$16,090,542</u>	<u>\$49,661,392</u>	<u>\$65,751,934</u>	<u>\$11,199,928</u>	<u>\$47,778,961</u>	<u>\$58,978,889</u>

Deferred outflows of resources related to pensions resulting from the System's contributions subsequent to the measurement date will be recognized as a reduction of the LASERS and TRSL NPL in the year ended June 30, 2016. 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 ended June 30,	LASERS	TRSL	Total
2016	\$987,689	(\$8,876,407)	(\$7,888,718)
2017	\$987,689	(\$8,876,407)	(\$7,888,718)
2018	(\$2,361,409)	(\$8,876,407)	(\$11,237,816)
2019	(\$2,361,409)	(\$8,876,407)	(\$11,237,816)

Actuarial Assumptions

The total pension liabilities for LASERS and TRSL in the June 30, 2014, actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurements:

	<u>LASERS</u>	<u>TRSL</u>
Valuation Date	June 30, 2014	June 30, 2014
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Expected Remaining Service Lives	3 years	5 years
Investment Rate of Return	7.75% per annum	7.75%, net of investment exp.
Inflation Rate	3% per annum	2.5% per annum
Mortality - Non-disabled	RP-2000, improvement to 2015	RP-2000, scale AA to 2025
Mortality - Disabled	RP-2000	RP-2000, scale AA to 2025
Termination, Disability, Retirement	2009-2013 experience study	2008-2012 experience study
Salary Increases	2009-2013 experience study, ranging from 3.0% to 14.5%	3.5% to 10.0%
Cost of Living Adjustments	Not substantively automatic	Not substantively automatic

For LASERS and TRSL, the long-term expected rate of return for each plan 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 and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of arithmetic/geometric real rates of return for each major asset class are summarized for each plan in the following table:

	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
TRSL (arithmetic)		
Domestic equity	31%	4.71%
International equity	19%	5.69%
Domestic fixed income	14%	2.04%
International fixed income	7%	2.80%
Alternatives	29%	5.94%
Total	<u>100%</u>	
LASERS (geometric)		
Cash	0%	0.50%
Domestic equity	27%	4.69%
International equity	30%	5.83%
Domestic fixed income	11%	2.34%
International fixed income	2%	4.00%
Alternative investments	23%	8.09%
Global tactical asset allocation	7%	3.42%
Total	<u>100%</u>	5.78%

Discount Rate. The discount rate used to measure the total pension liability was 7.75% for both LASERS and TRSL. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually-required rates, actuarially determined. 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 active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
LASERS	\$95,761,862	\$74,663,401	\$56,779,450
TRSL	\$395,542,939	\$310,559,571	\$238,234,528

Pension plan fiduciary net position. Detailed information about LASERS and TRSL fiduciary net position is available in the separately-issued financial reports referenced previously.

Payables to the Pension Plan. At June 30, 2015, the System had \$763,507 and \$3,604,565 in payables to LASERS and TRSL, respectively, for the June 2015 employee and employer legally-required contributions.

7. OPTIONAL RETIREMENT SYSTEM

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 TRSL and purchase retirement and death benefits through contracts provided by designated companies. Benefits payable to participants are not the obligation of the state of Louisiana or TRSL. Such benefits and other rights of 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 ORP plan members and the employer. Employer ORP contributions to TRSL for fiscal year 2015 totaled \$8,375,835, which represents pension expense for the System. Employee contributions totaled \$2,462,914. The Active member and employer contribution rates were 8% and 5.2%, respectively, with an additional employer contribution of 22.7% made to the TRSL defined benefit plan described in note 6.

8. OTHER POSTEMPLOYMENT BENEFITS

Plan Description. Employees of the System voluntarily participate in the state of Louisiana's health insurance plan. The Office of Group Benefits (OGB) provides medical and life insurance benefits to eligible retirees and their beneficiaries. Participants are eligible for retiree benefits if they meet the retirement eligibility as defined in the applicable retirement system, and they must be covered by the active medical plan immediately before retirement. The postemployment benefits plan is a cost-sharing, multiple-employer defined benefit plan but is classified as an agent multiple-employer plan for financial reporting purposes since the plan is not administered as a formal trust. R.S. 42:801-883 provides the authority to establish and amend benefit provisions of the plan. OGB does not issue a publicly-available financial report. However, the entity is included in the Louisiana Comprehensive Annual Financial Report (CAFR). You may obtain a copy of the CAFR on the Office of Statewide Reporting and Accounting Policy's website at www.doa.la.gov/osrap.

Funding Policy. The plan is currently financed on a pay-as-you-go basis. The contribution requirements of plan members and the System are established and may be amended by R.S. 42:801-883. Employees do not contribute to their postemployment benefits cost until they become retirees and begin receiving those benefits. The retirees contribute to the cost of retiree healthcare based on a service schedule. Contribution amounts vary depending on what healthcare provider is selected from the plan and if the member has Medicare coverage.

OGB offers several different plan options for both active and retired employees. Employer contributions are based on plan premiums and the employer contribution percentage. This percentage is based on the date of participation in an OGB plan (before or after January 1, 2002) and employee years of service at retirement. Employees who begin participation or rejoin the plan before January 1, 2002, pay approximately 25% of the cost of coverage. Employees who begin participation or rejoin on or after January 1, 2002, pay a percentage of premiums (active premium if over 20 years of service) based on the following schedule:

<u>OGB</u> <u>Participation</u>	<u>Employer</u> <u>Contribution</u> <u>Percentage</u>	<u>Employee</u> <u>Contribution</u> <u>Percentage</u>
Under 10 years	19%	81%
10-14 years	38%	62%
15-19 years	56%	44%
20+ years	75%	25%

In addition to healthcare benefits, retirees may elect to receive life insurance benefits. Basic and supplemental life insurance is available for the individual retiree and spouses of retirees, subject to maximum values. Employers pay approximately 50% of monthly premiums. Participating retirees paid \$0.54 each month for each \$1,000 of life insurance and \$0.98 each month for each \$1,000 of spouse life insurance. Life insurance amounts are reduced to 75% of the initial value at age 65 and to 50% of the original amount at age 70.

Annual Other Postemployment Benefit Cost and Liability. The System's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with GASB Statement 45, which was initially implemented for the year ended June 30, 2008. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial accrued liabilities (UAAL) over a period of 30 years. A 30-year open amortization period has been used. The total ARC for fiscal year 2015 is \$21,149,166.

The following schedule presents the components of the System's annual OPEB cost for fiscal year 2015, the amount actually contributed to the plan, and changes in the System's net OPEB obligation to the OPEB plan:

ARC	\$21,149,166
Interest on net OPEB obligation	5,539,900
ARC adjustment	<u>(5,292,300)</u>
Annual OPEB cost	21,396,766
Contributions made - current year retiree premiums	<u>(9,184,168)</u>
Increase in net OPEB obligation	12,212,598
Beginning net OPEB obligation at June 30, 2014	<u>138,496,480</u>
Ending net OPEB obligation at June 30, 2015	<u><u>\$150,709,078</u></u>
Percentage of Annual OPEB Cost Contributed	43%

The System's annual OPEB cost contributed to the plan using the pay-as-you-go method and the net OPEB obligation for the fiscal year ended June 30, 2015, and the preceding two fiscal years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2013	\$19,905,694	43%	\$128,027,324
June 30, 2014	\$19,256,427	46%	\$138,496,480
June 30, 2015	\$21,396,766	43%	\$150,709,078

Funded Status and Funding Progress. During fiscal year 2015, neither the System nor the state of Louisiana made contributions to a postemployment benefits plan trust. A trust was established July 1, 2008, but was not funded, has no assets, and hence has a funded ratio of zero.

Since the plan was not funded, the System's entire actuarial accrued liability (AAL) of \$272,525,300 was unfunded.

The funded status of the plan, as determined by an actuary as of July 1, 2014, was as follows:

AAL	\$272,525,300
Actuarial value of plan assets	NONE
UAAL	<u>\$272,525,300</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll	\$117,395,050
UAAL as percentage of covered payroll	232%

Actuarial Methods and Assumptions. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The Schedule of Funding Progress, presented as Required Supplementary Information following the Notes to the Financial Statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the July 1, 2014, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.0% discount rate. The UAAL is amortized over the maximum acceptable period of 30 years on an open basis. It is calculated assuming a level percentage of projected payroll. Other critical assumptions used in the actuarial valuation are the health care cost trend rate and participation assumptions. The health care cost trend assumption is used to project the cost of health care to future years. The valuation uses a health care cost trend rate assumption of 8.0% (7.0% post Medicare) in the year July 1, 2014, to June 30, 2015, grading down by 0.5% each year until an ultimate health care cost trend rate of 4.5% is reached. The participation assumption is the assumed percentage of future retirees that participate and enroll in the health plan. The participation breakouts are provided in the following table:

<u>Years of Service</u>	<u>Participation Percentage</u>
<10	57%
10-14	72%
15-19	82%
20+	100%

9. ACCOUNTS PAYABLE AND ACCRUALS

The following is a summary of accounts payable and accruals at June 30, 2015:

Vendors	\$14,387,730
Accrued salaries and benefits	17,641,193
Other	<u>646,134</u>
Total	<u><u>\$32,675,057</u></u>

10. UNEARNED REVENUES

The following is a summary of unearned revenues at June 30, 2015:

Prepaid tuition and fees	\$7,980,907
Prepaid rent	853,677
Grants and contracts	<u>3,209,513</u>
Total	<u><u>\$12,044,097</u></u>

11. COMPENSATED ABSENCES

At June 30, 2015, employees of the System have accumulated and vested annual, sick, and compensatory leave of \$8,904,006; \$10,008,423; and \$31,947, respectively. These balances were computed in accordance with GASB Codification Section C60. The leave payable is recorded in the accompanying financial statements.

12. LEASE OBLIGATIONS

Operating Leases

For the year ended June 30, 2015, the total rental expense for all operating leases was \$2,372,254. The following is a schedule, by fiscal year, of future minimum annual rental payments required under operating leases:

Nature of Operating Lease	2016	2017	2018	2019	2020	2021-2025	Total Minimum Payments Required
Office space	\$769,316	\$558,166	\$294,329	\$294,329	\$67,350	\$99,341	\$2,082,831
Land	100	100	100	100			400
Total	<u>\$769,416</u>	<u>\$558,266</u>	<u>\$294,429</u>	<u>\$294,429</u>	<u>\$67,350</u>	<u>\$99,341</u>	<u>\$2,083,231</u>

Capital Leases

The System records items under capital leases as assets and obligations in the accompanying financial statements. The following is a schedule of future minimum lease payments under these capital leases, together with the present value of minimum lease payments, at June 30, 2015:

<u>Fiscal Year ending June 30:</u>	
2016	\$200,122
2017	287,523
2018	287,197
2019	281,798
2020	281,323
2021-2025	1,412,091
2026-2030	1,399,250
2031-2035	
Total minimum lease payments	<u>4,149,304</u>
Less - amount representing interest	<u>(1,056,804)</u>
Present value - net minimum lease payments	<u>\$3,092,500</u>

The gross amount of assets held under capital leases as of June 30, 2015, includes office space of \$4,395,000.

Lessor - Operating Lease

Leasing operations of the System consist of leasing office space and a building for the purposes of providing bookstore operations to students. The estimated cost, accumulated depreciation, and carrying amount of the System's investment in operating lease property as of June 30, 2015, was \$165,587; \$41,400; and \$124,187, respectively. This includes estimated values, which are based on the ratio of the square footage of the space leased to the total square footage of the building.

The following is a schedule, by fiscal year, of minimum future rentals on noncancelable operating leases as of June 30, 2015:

Nature of Operating Lease	2016	2017	2018	2019	2020	Total Minimum Future Rentals
Office Space	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$350,000
Building	200,000	200,000	200,000	200,000		800,000
Total	<u>\$270,000</u>	<u>\$270,000</u>	<u>\$270,000</u>	<u>\$270,000</u>	<u>\$70,000</u>	<u>\$1,150,000</u>

Minimum future rentals do not include contingent rentals that may be received as stipulated in the lease contracts. Contingent rentals from operating leases for the year ended June 30, 2015 were \$200,000 for buildings. There were no other contingent rentals received.

13. LONG-TERM LIABILITIES

The following is a summary of bonds and other long-term debt transactions of the System for the year ended June 30, 2015:

	Restated Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015	Portion Due Within One Year
Bonds payable, net	\$317,786,533	\$146,642,051	(\$10,663,028)	\$453,765,556	\$13,607,010
Capital lease obligations (note 12)	3,257,500		(165,000)	3,092,500	82,500
Compensated absences payable (note 11)	18,617,309	5,796,519	(5,469,452)	18,944,376	1,946,376
Contracts payable	51,237		(51,237)		
Net pension liability (note 6)	428,096,545	61,084,024	(103,957,597)	385,222,972	
OPEB payable (note 8)	138,496,480	21,396,766	(9,184,168)	150,709,078	
Total long-term liabilities	<u>\$906,305,604</u>	<u>\$234,919,360</u>	<u>(\$129,490,482)</u>	<u>\$1,011,734,482</u>	<u>\$15,635,886</u>

Details of all debt outstanding at June 30, 2015, follow:

Bonds Payable

As presented on the Statement of Net Position, at June 30, 2015, bonds payable total \$453,765,556, of which \$13,607,010 is current and the remaining \$440,158,546 is noncurrent.

Detailed summaries, by issues, of all bonded debt outstanding at June 30, 2015, follow:

	Date of Issue	Original Issue	Outstanding June 30, 2014	Issued (Redeemed)	Outstanding June 30, 2015	Maturities	Interest Rates	Future Interest Payments June 30, 2015
BRC Facilities Corporation:								
Series 2003 Revenue Bonds	Dec. 23, 2003	\$10,000,000	\$1,285,000	(\$305,000)	\$980,000	2015-2018	3.8% - 5.5%	\$60,705
Series 2011 Revenue Refunding Bonds	Oct. 11, 2011	31,495,000	31,495,000	(1,705,000)	29,790,000	2015-2027	2.0% - 4.098%	8,866,469
Series 2012 Revenue Refunding Bonds	April 18, 2012	24,125,000	24,125,000		24,125,000	2025-2033	3.625% - 4.958%	15,826,456
Campus Facilities, Inc.:								
Series 2012 Revenue Refunding Bonds	Dec. 4, 2012	38,050,000	38,050,000		38,050,000	2017-2028	3.0% - 5.0%	12,682,050
South Louisiana Facilities Corporation -								
Series 2012 Revenue Refunding Bonds	Sept. 6, 2012	13,185,000	13,185,000	(375,000)	12,810,000	2015-2028	2.0%-4.0%	2,774,953
Delta Campus Facilities, Inc. -								
Series 2008 Revenue Bonds	Nov. 21, 2008	42,470,000	35,855,000	(1,825,000)	34,030,000	2015-2028	4.0% - 5.5%	14,286,937
LCTCS Facilities Corporation:								
Series 2009A Revenue Bonds	Oct. 1, 2009	19,290,000	6,645,000	(6,645,000)		2015-2015	4.0%	
Series 2009B Revenue Bonds	Oct. 1, 2009	45,280,000	45,280,000		45,280,000	2027-2029	4.25% - 5.0%	27,843,325
Series 2010 Revenue Bonds	Aug. 31, 2010	64,025,000	64,025,000		64,025,000	2021-2026	3.375%-5.0%	28,187,488
Series 2011 Revenue Bonds	Oct. 27, 2011	51,980,000	51,980,000		51,980,000	2016-2021	2.22% - 3.85%*	
Series 2014 Revenue Bonds	Dec. 18, 2014	128,330,000		128,330,000	128,330,000	2032-2040	3.25%-5.0%	136,666,311
Total		\$468,230,000	311,925,000	117,475,000	429,400,000			\$247,194,694
Net original premiums (discounts)			7,823,523	18,312,051	26,135,574			
Net accumulated amortization of premiums/discounts			(1,961,990)	191,972	(1,770,018)			
Bonds payable, net			\$317,786,533	\$135,979,023	\$453,765,556			

*This rate is the yield to maturity rate.

The annual requirements to amortize all bonds outstanding at June 30, 2015, are as follows:

	Principal	Interest	Total
2016	\$13,755,000	\$16,380,716	\$30,135,716
2017	15,920,000	17,572,888	33,492,888
2018	16,710,000	17,303,132	34,013,132
2019	17,015,000	16,989,893	34,004,893
2020	17,355,000	16,654,069	34,009,069
2021-2025	105,770,000	73,267,889	179,037,889
2026-2030	101,840,000	45,658,254	147,498,254
2031-2035	56,945,000	30,334,603	87,279,603
2036-2040	84,090,000	13,033,250	97,123,250
Total	\$429,400,000	\$247,194,694	\$676,594,694

Outstanding principal of \$429,400,000 plus net unamortized premium/discount of \$24,365,556 totals \$453,765,556.

Capital Lease Obligations

Capital lease obligations at June 30, 2015, for \$3,092,500 are detailed in note 12.

Accrued Compensated Absences Payable

Accrued compensated absences payable at June 30, 2015, for \$18,944,376 is detailed in note 11.

Contracts Payable

The LCTCS Facilities Corporation entered into a contract with a consulting firm to create and institute the program of construction projects established by Act 391. The contract stipulates that the LCTCS Facilities Corporation will pay a start-up fee to the firm in the form of 60 monthly installments of \$5,693 beginning on November 1, 2009. As of December 31, 2014, \$0 is payable to the firm and is recorded as “Contracts Payable” on the Statement of Net Position.

Debt Service Reserve Requirements

The following is a summary of the debt service reserve requirements of the various bond issues outstanding at June 30, 2015.

<u>Bond Issue</u>	<u>Reserve Available</u>	<u>Reserve Requirement</u>	<u>Excess</u>
Delta Campus Facilities, Inc. Series 2008 Revenue Bonds	\$3,656,784	\$3,652,762	\$4,022
LCTCS Facilities (Act 391) Series 2009 (A&B), 2010, and 2011 Revenue Bonds	<u>16,171,891</u>	<u>16,171,493</u>	<u>398</u>
Total	<u><u>\$19,828,675</u></u>	<u><u>\$19,824,255</u></u>	<u><u>\$4,420</u></u>

14. RESTRICTED NET POSITION

The System has the following restricted net position at June 30, 2015:

Nonexpendable:	
Endowments	\$3,912,757
Student Life Center Maintenance Reserve	557,590
Phoebe Jackson Trust	<u>289,136</u>
 Total nonexpendable	 <u><u>\$4,759,483</u></u>
Expendable:	
Academic excellence fee	\$11,292,829
Accumulated grant funds	233,677
Albania Plantation	630,062
Workforce and Innovation for a Stronger Economy (WISE) Fund	6,729,942
Building use fee	7,553,166
Endowment earnings	1,879,181
Calcasieu Parish Fund and Calcasieu Parish higher education improvements	19,470
Facilities Corporations net position	48,703,391
Grants and contracts	10,434,348
HB 765 (storm recovery)	219,214
Operational fee	1,536,846
Orleans Parish Excellence	2,514,334
Other restricted funds	1,611,826
Preventative maintenance	67,628
Settlement carryover fund	2,785,400
Student Government Association fees	2,926,627
Student Life Center	1,652,416
Technology fee	6,384,770
Third-party scholarships	190,972
Vehicle registration fee	<u>2,100,689</u>
 Total expendable	 <u><u>\$109,466,788</u></u>

Of the total net position reported in the Statement of Net Position for the year ended June 30, 2015, \$38,418,888 is restricted by enabling legislation (which also includes a legally-enforceable requirement that the resources be used only for the specific purposes stipulated in the legislation).

15. RESTATEMENT OF BEGINNING NET POSITION

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

Net position at June 30, 2014	\$133,860,001
Reclassifications and adjustments for prior-year errors:	
Capital Assets adjustment	11,408,796
Receivables adjustment	(15,800)
Amounts held in custody of others adjustment	1,257
Other miscellaneous corrections	384,233
Prepaid Construction Costs	1,167,515
GASB Statement No. 68 - <i>Pension Restatement</i>	<u>(385,715,760)</u>
 Net Position at June 30, 2014, as restated	 <u><u>(\$238,909,758)</u></u>

The restatements decreased the System's beginning net position by \$372,769,759. Of this amount, \$385,715,760 was attributable to a change in accounting principle; GASB Statement Numbers 68 and 71 for pension accounting. The other restatements were due to corrections of errors. Had the error corrections affecting fiscal year 2014 been included in the June 30, 2014 Statement of Revenues, Expenses, and Changes in Net Position, the previously reported change in net position of \$400,083 would have been \$7,586,742.

16. CONTINGENT LIABILITIES AND RISK MANAGEMENT

Losses arising from judgments, claims, and similar contingencies are paid through the state's self-insurance fund operated by the Office of Risk Management (ORM), the agency responsible for the state's risk management program, or by appropriation from the state's General Fund. The System is involved in ten lawsuits at June 30, 2015, that are being handled by contract attorneys. In the opinion of legal counsel, the possibility that the System will incur a liability in five of the cases is reasonably possible, with a possible loss estimated at \$380,000. All other lawsuits are handled by either the 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 the ORM, the System's individual colleges pay for settlements out of available funds, or the individual college can request supplemental appropriations from the state's General Fund.

17. FOUNDATIONS

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

- Baton Rouge Community College Foundation, Inc.
- Bossier Parish Community College Foundation, Inc.
- Cavalier Athletic Foundation, Inc.
- Delgado Community College Foundation, Inc.

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

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

Certain colleges of the System have contracted with their respective foundations to invest the colleges' Endowed Professorship Program endowment funds in accordance with the Board of Regents for Higher Education's investment policies. The Endowed Professorship Program endowment funds are established for \$100,000 each, with \$60,000 of private contributions and \$40,000 of state matching portion allocated by the Board of Regents for Higher Education. At June 30, 2015, the foundations hold in custody \$514,451 of state Endowed Professorship Program funds. Amounts invested by private foundations for the System are included as investments held by private foundations in external investment pools in note 3.

18. DONOR-RESTRICTED ENDOWMENTS

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

At June 30, 2015, net appreciation of \$299,541 is available to be spent, of which \$299,541 is restricted to specific purposes. The System limits endowment spending to the income earned in a given year for purposes specified by donors. The donated portion of the endowments is reported in "restricted net position - nonexpendable" in the Statement of Net Position; the endowment income is reported in "restricted net position - expendable."

19. DEFERRED COMPENSATION PLAN

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

20. SEGMENT INFORMATION

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

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

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

LCTCS Facilities Corporation is a nonprofit corporation formed in August 2007 and began operations October 1, 2009, to provide funds and oversee the purchase, acquisition, construction, design, development, renovation, and equipping of land and facilities for the benefit of 13 community and technical college campuses and a statewide computer information system for the System.

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

Condensed financial information for these blended component units follows:

Facilities Corporations
Condensed Statement of Net Position
For the Year Ended June 30, 2015

	BRCC Facilities Corporation	Campus Facilities Corporation	Delta Facilities Corporation	LCTCS Facilities Corporation	South Louisiana Facilities Corporation
Assets:					
Capital Assets	\$52,718,881	\$45,071,481	\$32,218,261	\$140,044,442	\$11,201,980
Other Assets	7,836,891	2,175,036	5,597,748	210,111,280	1,677,790
Total Assets	<u>60,555,772</u>	<u>47,246,517</u>	<u>37,816,009</u>	<u>350,155,722</u>	<u>12,879,770</u>
Deferred Outflows of Resources	NONE	NONE	NONE	NONE	NONE
Total Deferred Outflows of Resources	<u>60,555,772</u>	<u>47,246,517</u>	<u>37,816,009</u>	<u>350,155,722</u>	<u>12,879,770</u>
Liabilities:					
Current Liabilities	2,263,554	133,817	2,348,107	14,482,046	909,817
Long-Term Liabilities	54,548,889	41,743,027	31,492,363	300,158,936	12,215,331
Total Liabilities	<u>56,812,443</u>	<u>41,876,844</u>	<u>33,840,470</u>	<u>314,640,982</u>	<u>13,125,148</u>
Deferred Inflows of Resources	NONE	NONE	NONE	NONE	NONE
Total Deferred Inflows of Resources	<u>56,812,443</u>	<u>41,876,844</u>	<u>33,840,470</u>	<u>314,640,982</u>	<u>13,125,148</u>
Net Position:					
Net Investment in Capital Assets	(3,196,373)	3,328,454	3,058,046	(1,939,165)	(1,596,450)
Restricted Net Position - Expendable	6,939,702	2,041,219	917,493	37,453,905	1,351,072
Total Net Position	<u>\$3,743,329</u>	<u>\$5,369,673</u>	<u>\$3,975,539</u>	<u>\$35,514,740</u>	<u>(\$245,378)</u>

Facilities Corporations
Condensed Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2015

Depreciation Expense	\$2,575,532	\$1,497,389	\$1,861,405	\$4,088,251	\$506,370
Net Operating Loss	<u>(2,575,532)</u>	<u>(1,497,389)</u>	<u>(1,861,405)</u>	<u>(4,088,251)</u>	<u>(506,370)</u>
Nonoperating Revenues (Expenses):					
Investment Income	335	371	1,273	188,947	425
Interest Expense	(2,098,677)	(1,319,888)	(1,890,605)	(5,123,128)	(371,299)
Other (net)	4,987,424	1,720,664	3,856,160	20,712,944	898,227
Changes in Net Position	<u>313,550</u>	<u>(1,096,242)</u>	<u>105,423</u>	<u>11,690,512</u>	<u>20,983</u>
Net Position, Beginning of the Year	3,429,779	6,465,915	3,870,116	23,824,228	(266,361)
Net Position, End of the Year	<u>\$3,743,329</u>	<u>\$5,369,673</u>	<u>\$3,975,539</u>	<u>\$35,514,740</u>	<u>(\$245,378)</u>

Facilities Corporations
Condensed Statement of Cash Flows
For the Year Ended June 30, 2015

Net cash flows provided (used) by:					
Noncapital Financing	NONE	(\$157,005)	NONE	(\$27,995)	NONE
Capital and Related Financing	\$408,224	245,537	\$220,884	119,572,350	\$151,699
Investing Activities	335	371	1,273	15,919,201	425
Net Increase (Decrease) in Cash	<u>408,559</u>	<u>88,903</u>	<u>222,157</u>	<u>135,463,556</u>	<u>152,124</u>
Cash, Beginning of the Year	6,688,045	2,086,133	4,789,200	48,836,144	1,298,765
Cash, End of the Year	<u>\$7,096,604</u>	<u>\$2,175,036</u>	<u>\$5,011,357</u>	<u>\$184,299,700</u>	<u>\$1,450,889</u>

21. RELATED-PARTY TRANSACTIONS

During 2014, the Chairman of the LCTCS Facilities Corporation was also a member of the Board of Supervisors of the Louisiana Community and Technical College System (the Board).

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

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

Delgado Community College entered into a capital lease transaction with the Delgado Community College Foundation to finance the building of the City Park Campus Student Life Center. The term of the lease is 30 years with interest payments that began April 1, 2000. Interest is paid semiannually and principal payments are made annually commencing October 1, 2000. The system records this capital lease as an asset and an obligation in the accompanying financial statements. This capital lease is included in note 12.

On September 28, 2011, the Delgado Community College Foundation refinanced the 1999 bonds which are supported by the lease payable, by issuing Delgado Community College Foundation 2011 bonds at reduced interest rates. The refinancing resulted in a projected net savings (interest savings over refinancing costs) of \$525,924 over the remaining life of the bonds.

During the fiscal year, the son of Delgado Community College's Head Baseball Coach had a professional services contract with the community college totaling \$16,500. Under the contract, he served as Delgado Community College's Sports Information Officer and is under the supervision of the Executive Director for Public Relations and Marketing.

22. POLLUTION REMEDIATION OBLIGATIONS

For Delgado Community College, a site assessment was performed that revealed asbestos in the Auditorium of the college's property. The Auditorium is being renovated. The Louisiana Office of Facility Planning and Control is responsible for the expenses and reported no liability at June 30, 2015.

23. ALTERNATIVE FINANCING AGREEMENTS

Baton Rouge Community College (BRCC)

On May 16, 2002, the Louisiana State Bond Commission approved issuing up to \$65,000,000 in bonds for constructing and furnishing new campus buildings and for renovating existing buildings on property adjacent to the BRCC campus. In December 2002, the Louisiana

Government Environmental Facilities and Community Development Authority issued \$55,000,000 in revenue bonds on behalf of the BRCC Facilities Corporation, a nonprofit organization. In December 2003, the Louisiana Local Government Environmental Facilities and Community Development Authority issued an additional \$10,000,000 in revenue bonds on behalf of the BRCC Facilities Corporation. In October 2011, the Louisiana Local Government Environmental Facilities and Community Development Authority issued \$31,495,000 in revenue refunding bonds on behalf of the BRCC Facilities Corporation. In April 2012, the Louisiana Local Government Environmental Facilities and Community Development Authority issued an additional \$24,125,000 in revenue refunding bonds on behalf of the BRCC Facilities Corporation. Pursuant to the terms of a Ground Lease agreement, effective December 1, 2002, the corporation has leased the land from the Board of Supervisors of the System. The lease term expires on December 1, 2032. In accordance with the provisions of the facilities lease, the corporation, on behalf of the board, is developing and constructing new facilities that are being leased back to the board for use by the students, faculty, and staff of the community college. During the latter part of the fiscal year ended June 30, 2007, construction of a health/wellness center was started and was completed in the early part of fiscal year ended June 30, 2009.

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

Bossier Parish Community College (BPCC)

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

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

South Louisiana Community College (SLCC)

On May 16, 2002, the Louisiana State Bond Commission approved issuing up to \$20,000,000 in bonds for constructing a new SLCC campus. On October 29, 2002, the Lafayette Public Trust Financing Authority issued \$17,840,000 in revenue bonds on behalf of the South Louisiana Facilities, Inc., a nonprofit organization. In September 2012, the Lafayette Public Trust Financing Authority issued an additional \$13,185,000 in revenue refunding bonds on behalf of the South Louisiana Facilities Corporation. Pursuant to terms of a Ground Lease agreement

effective October 29, 2002, the corporation has leased the land from the Board of Supervisors of the System. The lease term expires on October 1, 2028. In accordance with the provisions of the facilities lease, the corporation, on behalf of the board, has developed and constructed new facilities that are being leased back to the board for use by the students, faculty, and staff of the community college.

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

Louisiana Delta Community College (LDCC)

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

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

LCTCS Facilities Corporation

Act 391

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

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

facilities lease, the corporation, on behalf of the board, will develop and construct new facilities which will be leased back to the board for use by the students, faculty, and staff of the colleges.

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

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

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

Act 360

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

Phase 1: On December 18, 2014, the Louisiana Local Government Environmental Facilities and Community Development Authority issued \$128,330,000 in revenue bonds on behalf of the LCTCS Facilities Corporation, a nonprofit organization for the following projects: New Workforce Training Center of Baton Rouge Community College in Baton Rouge, Smiley Heights Technology Center of Baton Rouge Community College in Baton Rouge, Science, Technology, Engineering and Math (STEM) Building of Bossier Parish Community College in Bossier City, Workforce Industrial Training Campus of Central Louisiana Technical Community College in Alexandria, Training Center for Transportation, Maritime, Engineering of Delgado Community College in New Orleans, Advanced Manufacturing Center of Excellence of Delgado Community College in New Orleans, Technology and Career Program Training Center of Louisiana Delta Community College in Winnsboro, Welding, Vehicle Operation and Industrial

Training Center of Louisiana Delta Community College in Jonesboro, Training Center for Industrial Technologies of Northshore Technical Community College in Lacombe, Workforce Development Center of Northwest Louisiana Technical College in Minden, Center for Advance Technology of River Parishes Community College in Gonzales, New PTech Building of South Central Louisiana Technical College in Reserve, Center for Advancement of Technical Education Building of South Central Louisiana Technical College in Reserve, Marine Operations and Industrial Safety Training Center of South Central Louisiana Technical College in Morgan City, Allied Health and Science Training Program Building of South Louisiana Community College in Lafayette, and One Stop Shop for Student Programs and Services of SOWELA Technical Community College in Lake Charles. Pursuant to terms of a Ground Lease agreement effective December 1, 2014, the corporation has leased the land from the Board of Supervisors of the System. The lease term expires on December 1, 2039. In accordance with the provisions of the facilities lease, the corporation, on behalf of the board, will develop and construct new facilities which will be leased back to the board for use by the students, faculty, and staff of the colleges.

Additional Phases: Additional phases have not been scheduled.

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

24. COMMITMENTS

Effective February 1, 2013, Campus Facilities, Inc., entered into a Cooperative Endeavor Agreement with the state of Louisiana, the Louisiana Department of Economic Development (LED), and the LCTCS Board to evidence the obligation of Campus Facilities, Inc., to develop and construct a new 66,000-square-foot Advanced Manufacturing Technology Center (Center) on the Bossier Parish Community College campus. LED has agreed to fund the \$16 million project on a reimbursement basis. Campus Facilities, Inc., has deemed this to be an agency agreement and as such is accounting for the proceeds as a liability (amounts held in custody for others). Effective May 21, 2013, Campus Facilities, Inc., entered into a Design-Build Contract for construction of the Center. The project was substantially completed as of May 31, 2014, and the Center was delivered to the LCTCS Board for the use and benefit of Bossier Parish Community College, which satisfied the above noted liability.

In February 2014, LCTCS Facilities Corporation entered into a cooperative endeavor agreement (CEA) with the State of Louisiana, Division of Administration, Office of Community Development – Disaster Recovery Unit (OCD). Under the terms of the CEA, the OCD will make available to LCTCS Facilities Corporation up to \$20,000,000 to fund the construction of the SOWELA Technical Community College Campus Training Building, a 65,000 to 75,000 square foot training building to house classroom and laboratories. The funds will be used in accordance with the guidelines for the Economic Revitalization Program and the Recovery Workforce Facilities Program.

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

services for Act 391 shall be \$28,463 payable on the first day of each month. The fee for monthly services for Act 360 shall be \$64,332 payable on the first day of each month.

The LCTCS Facilities Corporation has entered into a contract with an engineering firm to serve as the program manager for the construction projects established by Act 391 and Act 360 at various campuses. The Original Act 391 management contract expired on October 1, 2014 but was extended for a term of 24 months for fixed fee of \$450,750. The compensation for services associated with Act 360 is a fixed fee of \$11,436,840 paid in 60 equal installments beginning November 2014.

The LCTCS Facilities Corporation has active construction projects at various campuses as of December 31, 2014. The LCTCS Facilities Corporation's construction commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
ACT 391		
Nunez Community College - Physical Activity Center	\$328,458	\$371,542
Nunez Community College - Administration Building	1,670,421	303,784
Delgado Student Services Building	1,909,539	434,253
Delgado Learning Resource Center	3,804,631	303,586
CDBG - Disaster Recovery Program		
SOWELA Regional Training Facility	1,009,239	14,825,531
	<u>\$8,722,288</u>	<u>\$16,238,696</u>

25. MAINTENANCE RESERVE REQUIREMENTS

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

	<u>Maintenance Reserve Requirement per Bond Covenant</u>	<u>Annual Required Payment per Facilities Lease Agreement</u>	<u>Maintenance Reserve Balance</u>
BRCC Facilities Corporation	1.50%	\$750,000	\$6,241,861
Campus Facilities, Inc.	0.60%	280,000	2,120,942
Delta Campus Facilities Corporation	0.60%	225,000	971,987
LCTCS Facilities Corporation	0.60%	681,851	1,678,778
South Louisiana Facilities Corporation	1.50%	141,414	1,419,860
Total		<u>\$2,078,265</u>	<u>\$12,433,428</u>

REQUIRED SUPPLEMENTARY INFORMATION

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

Schedule 1 presents the System's Net Pension Liability.

Schedule of the System's Contributions

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

Schedule of Funding Progress for the Other Postemployment Benefits Plan

Schedule 3 presents certain specific data regarding the funding progress of the Other Postemployment Benefits Plan, including the unfunded actuarial accrued liability.

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

**Schedules of Required Supplementary Information
Fiscal Year Ended June 30, 2015**

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

Fiscal Year*	System's proportion of the net pension liability (asset)	System's proportionate share of the net pension liability (asset)	System's covered-employee payroll	System's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
Louisiana State Employees' Retirement System					
2015	1.19406%	\$74,663,401	\$22,796,771	328%	65.0%
Teachers' Retirement System of Louisiana					
2015	3.03832%	\$310,559,571	\$109,754,351	283%	63.7%

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

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

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

Fiscal Year*	(a) Statutorily- Required Contribution	(b) Contributions in relation to the statutorily- required contribution	(a-b) Contribution Deficiency (Excess)	System's covered-employee payroll	Contributions as a percentage of covered-employee payroll
Louisiana State Employees' Retirement System					
2015	\$7,638,053	\$7,638,053		\$22,875,390	33.4%
Teachers' Retirement System of Louisiana					
2015	\$37,388,060	\$37,388,060		\$113,801,717	32.9%

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

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

Notes to Required Supplementary Information

Changes of Benefit Terms include:

A 1.5% COLA, effective July 1, 2014, provided by Act 102 of the 2014 Louisiana Regular Legislative Session, and, Improved benefits for certain members employed by the Office of Adult Probation and Parole within the Department of Public Safety and Corrections as established by Act 852 of 2014.

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

**Schedule of Funding Progress for the
Other Postemployment Benefits Plan
For the Fiscal Year Ended June 30, 2015**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Cost (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
July 1, 2012	NONE	\$246,588,400	\$246,588,400	0.0%	\$109,859,005	224%
July 1, 2013	NONE	\$245,720,900	\$245,720,900	0.0%	\$114,067,317	215%
July 1, 2014	NONE	\$272,525,300	\$272,525,300	0.0%	\$117,395,050	232%

Factors contributing to the increase in the Office of Group Benefits plans were:

1. A change in the retiree benefit plans for those retiring past 3/31/15
2. A change in the mortality tables used
3. An update to the retirement and termination assumptions
4. A change in the different age graded claim curve and updated per capita health claim costs

(The actuarial valuation was completed by a different actuary than in the prior year.)

SUPPLEMENTARY INFORMATION SCHEDULES

Schedule of Per Diem Paid Board Members (Cash Basis)

Schedule 4 presents the per diem paid board members for the year ended June 30, 2015. Louisiana Revised Statute 17:3206 provides that appointed members of the Board of Directors shall be entitled to \$50 per day for attendance at meetings of the board, meetings of committees appointed by the board on which the member serves, or while on business as assigned by and on behalf of the board. This schedule is prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

Combining Schedule of Net Position, by College, for the year ended June 30, 2015

Schedule 5 presents a combining Schedule of Net Position, by College, for the year ended June 30, 2015.

Combining Schedule of Revenues, Expenses, and Changes in Net Position, by College, for the year ended June 30, 2015

Schedule 6 presents a combining Schedule of Revenues, Expenses, and Changes in Net Position, by College, for the year ended June 30, 2015.

Combining Schedule of Cash Flows, by College, for the year ended June 30, 2015

Schedule 7 presents a combining Schedule of Cash Flows, by College, for the year ended June 30, 2015.

Combining Schedule of Net Position, by College, for the year ended June 30, 2014

Schedule 8 presents a combining Schedule of Net Position, by College, for the year ended June 30, 2014.

Combining Schedule of Revenues, Expenses, and Changes in Net Position, by College, for the year ended June 30, 2014

Schedule 9 presents a combining Schedule of Revenues, Expenses, and Changes in Net Position, by College, for the year ended June 30, 2014.

Combining Schedule of Cash Flows, by College, for the year ended June 30, 2014

Schedule 10 presents a combining Schedule of Cash Flows, by College, for the year ended June 30, 2014.

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

**Schedule of Per Diem Paid Board Members (Cash Basis)
For the Fiscal Year Ended June 30, 2015**

	<u>Amount</u>
Banks, Edward	\$950
Brown, Robert	750
Carter, Helen	900
Fisher, Robert	950
Gamble, Keith	600
Grissette, Geraldine	500
Hardy, Timothy	950
Hemperley, Steven	500
Mount, Willie	750
Murphy, Michael	1,050
Oge', Norwood	1,450
Potts, Joe	650
Price, Paul	700
Smith, Stephen	850
Spohn, Craig	750
St. Blanc, Vincent	950
Toups, Stephen	<u>650</u>
Total	<u><u>\$13,900</u></u>

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

**Combining Schedule of Net Position, by College
For the Year Ended June 30, 2015**

	Board Office	Baton Rouge Community College	Bossier Parish Community College	Central Louisiana Technical Community College	Delgado Community College	Elaine P. Nunez Community College
ASSETS						
Current Assets						
Cash and cash equivalents	\$16,099,387	\$18,315,506	\$2,234,295	\$531,329	\$11,657,844	\$2,742,416
Receivables, net	1,751,392	6,020,400	5,824,035	616,637	7,972,182	551,920
Due from State Treasury	971,316					
Due from federal government	7,102,806	522,788	1,422,416	185,642	3,138,999	1,363,924
Due from LCTCS Colleges/LCTCS	1,782,495	440,519	206,604	395,650	1,488,521	166,509
Inventories						
Prepaid expenses and advances		178,407		11,729	564,660	590,699
Notes receivable	646,276					
Other current assets						19,413
Total current assets	28,353,672	25,477,620	9,687,350	1,740,987	24,822,206	5,434,881
Noncurrent Assets						
Restricted assets:						
Cash and cash equivalents				290,311		215,822
Investments		330,191	125,340		3,888,588	260,077
Accounts receivable, net						
Other						
Investments						
Notes receivable, net	646,277					
Capital assets, net	12,482,109	29,470,551	18,563,511	2,159,349	60,764,817	21,861,619
Other noncurrent assets	(1)		1,700			
Total noncurrent assets	13,128,385	29,800,742	18,690,551	2,449,660	64,653,405	22,337,518
Total Assets	41,482,057	55,278,362	28,377,901	4,190,647	89,475,611	27,772,399
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pensions	5,804,601	8,263,101	10,629,949	1,783,436	14,273,110	2,472,203
Total deferred outflows of resources	5,804,601	8,263,101	10,629,949	1,783,436	14,273,110	2,472,203
LIABILITIES						
Current Liabilities						
Accounts payable and accruals	12,410,919	2,627,599	2,331,616	762,779	2,861,390	613,483
Due to federal government				7,216		
Due to LCTCS College/LCTCS	5,233,015	266,758	460,022	153,056	453,034	56,733
Unearned revenues	1,041,944	1,648,746	1,308,876	310,574	4,232,047	233,899
Amounts held in custody for others	9,271	163,563	755,544	14,617	211,413	68,426
Compensated absences payable	89,970	218,287	70,694	114,971	419,385	37,044
Capital lease obligations					82,500	
Notes payable			646,276			
Bonds payable, net						
Other current liabilities					58,501	
Total current liabilities	18,785,119	4,924,953	5,573,028	1,363,213	8,318,270	1,009,585
Noncurrent Liabilities						
Compensated absences payable	1,303,124	2,666,373	2,145,793	406,920	4,387,255	673,896
Capital lease obligations					3,010,000	
Notes payable			646,277			
Net pension liability	22,726,164	53,155,000	43,852,286	13,427,044	103,924,973	12,106,437
OPEB payable	4,032,195	20,241,319	17,332,707	6,859,800	38,701,600	5,300,497
Bonds payable, net						
Total noncurrent liabilities	28,061,483	76,062,692	63,977,063	20,693,764	150,023,828	18,080,830
Total liabilities	46,846,602	80,987,645	69,550,091	22,056,977	158,342,098	19,090,415
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions	3,486,225	7,469,822	6,147,865	1,873,190	15,485,029	1,721,495
Total deferred inflows of resources	3,486,225	7,469,822	6,147,865	1,873,190	15,485,029	1,721,495
NET POSITION						
Net investment in capital assets	12,482,109	29,470,551	18,563,511	2,159,349	57,672,317	21,861,619
Restricted:						
Nonexpendable		240,000	100,000	289,136	2,682,105	559,774
Expendable	969,126	9,502,308	2,850,993	3,282,845	14,114,200	3,049,678
Unrestricted	(16,497,404)	(64,128,863)	(58,204,610)	(23,687,414)	(144,547,028)	(16,038,379)
Total Net Position	(\$3,046,169)	(\$24,916,004)	(\$36,690,106)	(\$17,956,084)	(\$70,078,406)	\$9,432,692

(Continued)

Schedule 5

LCTCS Online	L.E. Fletcher Technical Community College	Louisiana Delta Community College	Northshore Technical Community College	Northwest Louisiana Technical College	River Parishes Community College	South Central Louisiana Technical College	South Louisiana Community College	SOWELA Technical Community College
\$9,376	\$3,144,659	\$1,481,685	\$2,649,573	\$3,766,694	\$2,782,004	\$5,670,453	\$22,385,734	\$10,668,642
2,388	870,904	1,521,615	303,451	661,508	903,678	1,052,802	1,231,667	1,319,853
	4,167	187,872	80,005	21,561	82,853	1,291	1,209,390	468,407
5,137	233,186	652,131	243,243	314,413	311,449	235,837	618,186	285,685
	284	9,069						
	17,358		18,348	5,902	32,759	4,480	10,045	
	2,408							
16,901	4,272,966	3,852,372	3,294,620	4,770,078	4,112,743	6,964,863	25,455,022	12,742,587
	144,260	641,959					240,000	
								46,944
	18,999,844	6,286,495	3,130,266	4,856,048	2,635,248	2,223,048	7,322,771	16,173,428
	19,144,104	6,928,454	3,130,266	4,856,048	2,635,248	2,223,048	7,562,771	16,220,372
16,901	23,417,070	10,780,826	6,424,886	9,626,126	6,747,991	9,187,911	33,017,793	28,962,959
348,374	1,674,869	3,836,375	2,064,213	2,596,769	1,372,649	3,938,063	4,492,522	2,201,700
348,374	1,674,869	3,836,375	2,064,213	2,596,769	1,372,649	3,938,063	4,492,522	2,201,700
15,357	952,552	971,679	559,216	470,639	312,335	750,013	1,743,782	1,381,333
3,925	109,346	89,331	62,145	84,973	44,674	124,614	152,016	85,923
	374,457	209,965	174,325	241,665	160,851	571,012	1,037,253	498,483
	3,030	110,634	16,093	66,883	4,835	87,656	123,368	18,015
3,780	57,232	124,627	52,705	87,122	40,274	332,023	230,172	68,090
					17,960			
23,062	1,496,617	1,506,236	864,484	951,282	580,929	1,865,318	3,286,591	2,051,844
48,267	591,662	946,786	538,582	589,519	379,381	311,690	1,255,342	753,410
1,233,829	11,136,243	24,065,082	15,150,784	14,049,790	8,741,021	13,366,923	32,627,854	15,659,542
	4,051,502	9,472,463	5,507,730	6,718,549	3,868,854	6,170,700	15,846,600	6,604,562
1,282,096	15,779,407	34,484,331	21,197,096	21,357,858	12,989,256	19,849,313	49,729,796	23,017,514
1,305,158	17,276,024	35,990,567	22,061,580	22,309,140	13,570,185	21,714,631	53,016,387	25,069,358
177,734	2,023,109	4,423,970	2,506,671	1,979,350	2,121,380	1,998,623	5,318,365	2,246,061
177,734	2,023,109	4,423,970	2,506,671	1,979,350	2,121,380	1,998,623	5,318,365	2,246,061
	18,999,844	6,286,495	3,130,266	4,856,048	2,635,248	2,223,048	7,322,771	16,173,428
	120,000	528,468					240,000	
	2,156,226	1,672,386	1,651,222	2,856,215	1,604,786	2,610,558	10,831,056	3,611,798
(1,117,617)	(15,483,264)	(34,284,685)	(20,860,640)	(19,777,858)	(11,810,959)	(15,420,886)	(39,218,264)	(15,935,986)
(\$1,117,617)	\$5,792,806	(\$25,797,336)	(\$16,079,152)	(\$12,065,595)	(\$7,570,925)	(\$10,587,280)	(\$20,824,437)	\$3,849,240

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

**Combining Schedule of Net Position, by College
For the Year Ended June 30, 2015**

	Facilities Corporations	System Eliminating Entries	Total Per System
ASSETS			
Current Assets			
Cash and cash equivalents			\$104,139,597
Receivables, net			30,604,432
Due from State Treasury			971,316
Due from federal government			15,792,121
Due from LCTCS Colleges/LCTCS		(\$7,379,565)	
Inventories			9,353
Prepaid expenses and advances			1,434,387
Notes receivable		(646,276)	
Other current assets			21,821
Total current assets		(8,025,841)	152,973,027
Noncurrent Assets			
Restricted assets:			
Cash and cash equivalents	200,033,586		200,539,719
Investments	18,456,387		24,086,802
Accounts receivable, net	4,585,920		4,585,920
Other	28,817		28,817
Investments			46,944
Notes receivable, net		(646,277)	
Capital assets, net	281,255,045		488,184,149
Other noncurrent assets	4,294,035		4,295,734
Total noncurrent assets	508,653,790	(646,277)	721,768,085
Total Assets	508,653,790	(8,672,118)	874,741,112
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions			65,751,934
Total deferred outflows of resources			65,751,934
LIABILITIES			
Current Liabilities			
Accounts payable and accruals	3,910,365		32,675,057
Due to federal government			7,216
Due to LCTCS College/LCTCS		(7,379,565)	
Unearned revenues			12,044,097
Amounts held in custody for others			1,653,348
Compensated absences payable			1,946,376
Capital lease obligations			82,500
Notes payable		(646,276)	
Bonds payable, net	13,607,010		13,607,010
Other current liabilities	2,619,966		2,696,427
Total current liabilities	20,137,341	(8,025,841)	64,712,031
Noncurrent Liabilities			
Compensated absences payable			16,998,000
Capital lease obligations			3,010,000
Notes payable		(646,277)	
Net pension liability			385,222,972
OPEB payable			150,709,078
Bonds payable, net	440,158,546		440,158,546
Total noncurrent liabilities	440,158,546	(646,277)	996,098,596
Total liabilities	460,295,887	(8,672,118)	1,060,810,627
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions			58,978,889
Total deferred inflows of resources			58,978,889
NET POSITION			
Net investment in capital assets	(345,488)		203,491,116
Restricted:			
Nonexpendable			4,759,483
Expendable	48,703,391		109,466,788
Unrestricted			(497,013,857)
Total Net Position	\$48,357,903		(\$179,296,470)

(Concluded)

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

**Combining Schedule of Revenues, Expenses,
and Changes in Net Position, by College
For the Year Ended June 30, 2015**

	Board Office	Baton Rouge Community College	Bossier Parish Community College	Central Louisiana Technical Community College	Delgado Community College
OPERATING REVENUES					
Student tuition and fees		\$35,505,722	\$27,345,386	\$3,024,530	\$56,697,574
Less scholarship allowances		(16,149,554)	(10,935,443)	(2,122,901)	(18,542,453)
Net student tuition and fees		19,356,168	16,409,943	901,629	38,155,121
Federal grants and contracts	\$31,227,117	2,953,119	7,587,503	1,455,259	5,138,496
State and local grants and contracts	5,405,160	426,960	1,478,806	254,693	1,146,954
Nongovernmental grants and contracts	191,419	231,694	90,248		1,491,078
Sales and services of educational departments		5,151	37,082		
Interagency Revenue	6,771,850	136,934	70,353	138,254	
Auxiliary enterprise revenues		412,051	453,694	82,220	1,633,846
Other operating revenues	43,132	99,609	19,097	79,632	199,340
Total operating revenues	43,638,678	23,621,686	26,146,726	2,911,687	47,764,835
OPERATING EXPENSES					
Educational and general:					
Instruction		22,855,676	28,711,839	6,998,149	51,770,260
Public service			1,302,747		
Academic support	40,946,580	4,921,217	1,832,197	1,295,360	8,645,729
Student services		8,273,275	2,978,365	899,835	8,278,929
Institutional support	18,548,105	7,872,373	6,533,758	2,179,977	11,546,439
Operations and maintenance of plant	340,252	9,525,333	3,645,524	1,782,785	9,848,195
Depreciation	1,957,170	1,622,672	852,431	304,170	2,898,058
Scholarships and fellowships		8,145,968	13,755,159	1,171,584	29,054,486
Auxiliary enterprises		52,525	807,483	216,852	2,005,134
Interagency Expense	445,868	1,025,097	852,540	233,630	1,863,794
Other operating expenses					273,080
Total operating expenses	62,237,975	64,294,136	61,272,043	15,082,342	126,184,104
OPERATING LOSS	(18,599,297)	(40,672,450)	(35,125,317)	(12,170,655)	(78,419,269)
NONOPERATING REVENUES (Expenses)					
State appropriations	17,153,027	15,266,655	10,903,108	5,897,394	27,144,449
Gifts		5,000		1,392	
Federal nonoperating revenues (expenses)		20,144,970	22,024,930	3,192,440	48,452,978
Net investment income (loss)	13,415	20,988	13,513	56	198,288
Interest expense					(130,523)
Other nonoperating revenues (expenses)	155,342	2,135,030	2,647,007	2,183,745	1,681,786
Net nonoperating revenues (expenses)	17,321,784	37,572,643	35,588,558	11,275,027	77,346,978
Income (loss) before other revenues and additions	(1,277,513)	(3,099,807)	463,241	(895,628)	(1,072,291)
Capital appropriations		2,674,779	38,274		12,697,257
Capital grants and gifts		8,820,000	15,966,903		253,519
Additions to permanent endowment			40,000	500	
Other deductions, net					(6,284)
Increase (decrease) in net position	(1,277,513)	8,394,972	16,508,418	(895,128)	11,872,201
NET POSITION - BEGINNING OF YEAR (Restated)	(1,768,656)	(33,310,976)	(53,198,524)	(17,060,956)	(81,950,607)
NET POSITION - END OF YEAR	(\$3,046,169)	(\$24,916,004)	(\$36,690,106)	(\$17,956,084)	(\$70,078,406)

(Continued)

Schedule 6

Elaine P. Nunez Community College	LCTCS Online	L.E. Fletcher Technical Community College	Louisiana Delta Community College	Northshore Technical Community College	Northwest Louisiana Technical College	River Parishes Community College	South Central Louisiana Technical College	South Louisiana Community College	SOWELA Technical Community College
\$5,829,361		\$7,038,818	\$11,359,576	\$7,725,079	\$5,990,367	\$5,794,529	\$6,161,421	\$18,937,605	\$10,881,959
(2,971,382)		(2,166,805)	(7,584,843)	(4,925,630)	(4,973,216)	(3,065,950)	(3,106,282)	(10,872,160)	(5,373,408)
2,857,979		4,872,013	3,774,733	2,799,449	1,017,151	2,728,579	3,055,139	8,065,445	5,508,551
1,670,311	\$272,993	390,655	2,962,336	2,011,751	867,425	571,447	574,655	1,804,720	643,058
368,026		957,278	737,218	366,060	96,997	163,912	808,502	554,807	79,312
27,641		11,248	106,082	8,500	29,923	10,639	361,940	61,554	53,390
69,853			10,874	2,199	14,087			9,033	11,546
	15,000	74,265	81,888		17,865			4,416	
33,041		45,066	44,774			11,467		131,469	
21,699		264		74,069		19,596	75	11,376	11,946
5,048,550	287,993	6,350,789	7,717,905	5,262,028	2,043,448	3,505,640	4,800,311	10,642,820	6,307,803
4,899,819	334,123	5,729,449	10,113,781	7,058,711	6,781,977	3,311,463	7,054,546	14,387,770	8,580,468
974,795	1,100,867	1,925,286	3,091,022	1,339,716	330,117	1,032,030	174,960	2,910,823	1,583,067
1,106,494		919,071	2,143,009	1,500,851	1,410,082	843,677	995,881	3,308,454	1,583,655
2,571,244	179,422	1,824,790	6,021,512	2,719,721	2,597,135	1,843,486	3,632,780	4,389,232	3,520,890
1,710,215		766,266	2,928,498	1,687,361	2,098,791	654,274	470,178	4,773,030	1,784,159
634,385		632,795	660,911	221,123	610,436	210,122	395,714	1,634,078	1,009,507
2,335,453		1,588,533	966,523	1,590,724	2,246,213	704,156	1,145,056	3,243,890	2,510,188
83		6,899	104,645	130					
213,647	2,248	212,623	442,953	253,500	298,571	233,206	232,921	655,142	345,085
5,559									
14,451,694	1,616,660	13,605,712	26,472,854	16,371,837	16,373,322	8,832,414	14,102,036	35,302,419	20,917,019
(9,403,144)	(1,328,667)	(7,254,923)	(18,754,949)	(11,109,809)	(14,329,874)	(5,326,774)	(9,301,725)	(24,659,599)	(14,609,216)
3,458,540	1,295,904	3,031,866	8,233,226	5,151,710	6,978,362	3,406,615	4,313,475	13,077,711	7,032,904
11,100		108,475		1,149	500		4,000	228,660	987,042
8,609,201		3,209,209	7,320,749	4,760,426	4,721,189	2,731,239	2,464,208	12,462,946	6,128,272
10,831	52	7,137	(1,737)	7,351	386		5,579	167	43,358
421,063	4,438	1,677,697	913,247	1,411,132	1,777,645	435,547	669,831	2,096,526	2,706,223
12,510,735	1,300,394	8,034,384	16,465,485	11,331,768	13,478,082	6,573,401	7,457,093	27,866,010	16,897,799
3,107,591	(28,273)	779,461	(2,289,464)	221,959	(851,792)	1,246,627	(1,844,632)	3,206,411	2,288,583
102,602		5,216,717		1,868,000				381,101	288,429
		51,750						40,000	163,874
(79,580)			106,748						
3,130,613	(28,273)	6,047,928	(2,182,716)	2,089,959	(851,792)	1,246,627	(1,844,632)	3,627,512	2,740,886
6,302,079	(1,089,344)	(255,122)	(23,614,620)	(18,169,111)	(11,213,803)	(8,817,552)	(8,742,648)	(24,451,949)	1,108,354
\$9,432,692	(\$1,117,617)	\$5,792,806	(\$25,797,336)	(\$16,079,152)	(\$12,065,595)	(\$7,570,925)	(\$10,587,280)	(\$20,824,437)	\$3,849,240

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

**Combining Schedule of Revenues, Expenses,
and Changes in Net Position, by College
For the Year Ended June 30, 2015**

	Facilities Corporations	System Eliminating Entries	Total Per System
OPERATING REVENUES			
Student tuition and fees			\$202,291,927
Less scholarship allowances			(92,790,027)
Net student tuition and fees			109,501,900
Federal grants and contracts		(\$12,558,940)	47,571,905
State and local grants and contracts		(1,916,797)	10,927,888
Nongovernmental grants and contracts		(109,274)	2,566,082
Sales and services of educational departments			159,825
Interagency Revenue		(7,310,825)	
Auxiliary enterprise revenues			2,847,628
Other operating revenues			579,835
Total operating revenues		(21,895,836)	174,155,063
OPERATING EXPENSES			
Educational and general:			
Instruction			178,588,031
Public service			1,302,747
Academic support		(21,997,352)	50,106,414
Student services			34,241,578
Institutional support		(104,873)	75,875,991
Operations and maintenance of plant			42,014,861
Depreciation	\$10,528,947		24,172,519
Scholarships and fellowships			68,457,933
Auxiliary enterprises			3,193,751
Interagency Expense		(7,310,825)	
Other operating expenses			278,639
Total operating expenses	10,528,947	(29,413,050)	478,232,464
OPERATING LOSS	(10,528,947)	7,517,214	(304,077,401)
NONOPERATING REVENUES (Expenses)			
State appropriations			132,344,946
Gifts		(104,873)	1,242,445
Federal nonoperating revenues (expenses)			146,222,757
Net investment income (loss)	191,351		510,735
Interest expense	(10,803,597)		(10,934,120)
Other nonoperating revenues (expenses)	(3,054,786)	(7,412,341)	10,449,132
Net nonoperating revenues (expenses)	(13,667,032)	(7,517,214)	279,835,895
Income (loss) before other revenues and additions	(24,195,979)		(24,241,506)
Capital appropriations	24,759,292		45,777,350
Capital grants and gifts	10,470,913		37,976,060
Additions to permanent endowment			187,248
Other deductions, net			(85,864)
Increase (decrease) in net position	11,034,226		59,613,288
NET POSITION - BEGINNING OF YEAR			
(Restated)	37,323,677		(238,909,758)
NET POSITION - END OF YEAR	\$48,357,903		(\$179,296,470)

(Concluded)

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

**Combining Schedule of Cash Flows, by College
For the Year Ended June 30, 2015**

	Board Office	Baton Rouge Community College	Bossier Parish Community College	Central Louisiana Technical Community College	Delgado Community College
CASH FLOWS FROM OPERATING ACTIVITIES:					
Tuition and fees		\$19,356,168	\$17,552,965	\$1,387,218	\$40,248,580
Grants and contracts	\$37,792,963	3,219,864	9,242,838	1,733,045	8,695,412
Sales and services of educational depart.		5,151	37,082		
Auxilliary enterprise receipts		412,051	218,501	82,220	1,637,890
Payments for employee compensation	(10,127,835)	(26,755,102)	(22,016,381)	(6,556,607)	(52,580,301)
Payments for benefits	(3,354,264)	(10,111,716)	(5,684,308)	(2,984,606)	(20,335,742)
Payments for utilities		(1,799,563)	(926,048)	(428,657)	(2,294,012)
Payments for supplies and services	(47,231,122)	(11,862,236)	(19,206,436)	(3,216,707)	(19,065,506)
Payments for scholarships and fellowships		(8,145,968)	(13,866,172)	(1,171,584)	(29,054,486)
Other receipts (payments)	6,356,454	677,072	(405,874)	52,349	423,959
Net cash used by operating activities	(16,563,804)	(35,004,279)	(35,053,833)	(11,103,329)	(72,324,206)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
State appropriations	17,153,027	15,191,904	10,865,437	5,870,489	26,995,833
Gifts and grants for other than capital purposes	92,199	21,513,221	23,627,152	5,582,730	45,938,969
Private gifts for endowment purposes			40,000	500	
TOPS receipts		1,590,691	1,406,757	164,445	1,665,976
TOPS disbursements		(1,590,691)	(1,406,757)	(164,445)	(1,732,691)
FEMA receipts					2,020,796
Direct lending receipts		16,815,190	34,335,846		66,507,557
Direct lending disbursements		(16,815,190)	(34,335,846)		(66,507,557)
Other receipts (disbursements)		175,376	924,498	11,365	639,557
Net cash provided (used) by noncapital financing activities	17,245,226	36,880,501	35,457,087	11,465,084	75,528,440
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds from capital debt					
Capital appropriations received					
Capital grants and gifts received					
Purchases of capital assets	(815,477)	(303,748)	(671,792)		(1,667,527)
Principal paid on capital debt and leases					(165,000)
Interest paid on capital debt and leases					(130,523)
Other sources (uses)					
Net cash provided (used) by capital and related financing activities	(815,477)	(303,748)	(671,792)		(1,963,050)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from sales and maturities of investments					
Interest received on investments	13,415	20,951	13,513	56	198,288
Purchase of investments			(438)		35,290
Net cash provided (used) by investing activities	13,415	20,951	13,075	56	233,578
Net Increase (decrease) in Cash	(120,640)	1,593,425	(255,463)	361,811	1,474,762
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	16,220,027	16,722,081	2,489,758	459,829	10,183,082
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$16,099,387	\$18,315,506	\$2,234,295	\$821,640	\$11,657,844

(Continued)

Schedule 7

Elaine P. Nunez Community College	LCTCS Online	L.E. Fletcher Technical Community College	Louisiana Delta Community College	Northshore Technical Community College	Northwest Louisiana Technical College	River Parishes Community College	South Central Louisiana Technical College	South Louisiana Community College
\$2,849,965		\$4,854,198	\$4,005,689	\$2,833,125	\$1,014,379	\$2,951,293	\$2,980,780	\$7,769,860
1,239,209	\$338,045	1,611,471	3,808,174	2,329,762	959,521	456,037	2,282,776	2,618,165
69,853			10,874	2,199	14,087			9,033
33,041		45,066	44,774			11,467		131,469
(6,102,383)	(645,338)	(5,856,269)	(12,731,359)	(7,631,532)	(6,239,174)	(4,492,716)	(5,993,907)	(15,137,549)
(2,258,309)	(188,719)	(2,374,836)	(5,330,058)	(3,102,453)	(3,230,691)	(1,656,858)	(2,550,510)	(7,011,414)
(372,723)		(509,716)	(660,525)	(364,387)	(594,052)	(341,868)	(398,252)	(750,401)
(2,055,375)	(790,761)	(2,374,616)	(5,845,327)	(3,123,843)	(2,817,838)	(1,396,195)	(2,520,732)	(6,309,152)
(2,516,062)		(1,588,533)	(964,551)	(1,590,724)	(2,246,213)	(781,608)	(1,147,936)	(3,243,890)
	(396,387)	(90,512)	(225,018)	(108,978)	(175,934)	55,383	(109,813)	(560,834)
(9,112,784)	(1,683,160)	(6,283,747)	(17,887,327)	(10,756,831)	(13,315,915)	(5,195,065)	(7,457,594)	(22,484,713)
3,444,005	1,295,904	3,018,849	8,193,181	5,129,424	6,946,162	3,393,387	4,293,524	13,012,832
5,611,976		4,750,621	8,188,576	6,154,200	6,509,239	3,166,829	3,030,744	14,465,424
			100,000					40,000
218,127		596,442	547,341	225,427	140,278	428,019	205,424	887,129
(218,127)		(596,442)	(547,341)	(225,427)	(140,278)	(428,019)	(205,424)	(887,129)
3,017,757						3,320,509		5,229,729
(3,017,757)						(3,320,509)		(5,229,729)
(79,580)	101	266,322	184,129	10,871	31,581		208,035	37,541
8,976,401	1,296,005	8,035,792	16,665,886	11,294,495	13,486,982	6,560,216	7,532,303	27,555,797
102,602								
3,999,648								
(4,157,666)		(325,871)	(423,929)	(330,194)	(21,843)	(46,234)	(671,682)	(289,980)
(55,416)		(325,871)	(423,929)	(330,194)	(21,843)	(46,234)	(671,682)	(289,980)
10,831	52	4,734	810	7,351	386		5,579	167
(260,077)			(100,000)					(40,000)
(249,246)	52	4,734	(99,190)	7,351	386		5,579	(39,833)
(441,045)	(387,103)	1,430,908	(1,744,560)	214,821	149,610	1,318,917	(591,394)	4,741,271
3,399,283	396,479	1,713,751	3,226,245	2,434,752	3,617,084	1,463,087	6,261,847	17,644,463
\$2,958,238	\$9,376	\$3,144,659	\$1,481,685	\$2,649,573	\$3,766,694	\$2,782,004	\$5,670,453	\$22,385,734

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

**Combining Schedule of Cash Flows, by College
For the Year Ended June 30, 2015**

	SOWELA Technical Community College	Facilities Corporations	System Eliminating Entries	Total Per System
CASH FLOWS FROM OPERATING ACTIVITIES:				
Tuition and fees	\$4,699,162			\$112,503,382
Grants and contracts	1,725,521		(\$14,585,011)	63,467,792
Sales and services of educational depart.	11,546			159,825
Auxilliary enterprise receipts				2,616,479
Payments for employee compensation	(7,413,331)			(190,279,784)
Payments for benefits	(3,459,666)			(73,634,150)
Payments for utilities	(535,192)			(9,975,396)
Payments for supplies and services	(5,145,176)		29,413,050	(103,547,972)
Payments for scholarships and fellowships	(2,498,361)			(68,816,088)
Other receipts (payments)	(241,273)		(7,310,825)	(2,060,231)
Net cash used by operating activities	(12,856,770)		7,517,214	(269,566,143)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
State appropriations	6,960,771			131,764,729
Gifts and grants for other than capital purposes	9,475,524		(7,517,214)	150,590,190
Private gifts for endowment purposes				180,500
TOPS receipts	1,050,950			9,127,006
TOPS disbursements	(1,050,950)			(9,193,721)
FEMA receipts				2,020,796
Direct lending receipts				129,226,588
Direct lending disbursements				(129,226,588)
Other receipts (disbursements)	453,588	(\$185,000)		2,678,384
Net cash provided (used) by noncapital financing activities	16,889,883	(185,000)	(7,517,214)	287,167,884
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from capital debt		146,642,051		146,642,051
Capital appropriations received	288,429	24,759,292		25,150,323
Capital grants and gifts received	163,874	16,356,414		20,519,936
Purchases of capital assets	(3,304,467)	(41,233,511)		(54,263,921)
Principal paid on capital debt and leases		(10,855,000)		(11,020,000)
Interest paid on capital debt and leases		(11,787,844)		(11,918,367)
Other sources (uses)		(3,282,708)		(3,282,708)
Net cash provided (used) by capital and related financing activities	(2,852,164)	120,598,694		111,827,314
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sales and maturities of investments		15,740,054		15,740,054
Interest received on investments	43,334	181,551		501,018
Purchase of investments				(365,225)
Net cash provided (used) by investing activities	43,334	15,921,605		15,875,847
Net Increase (decrease) in Cash	1,224,283	136,335,299		145,304,902
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	9,444,359	63,698,287		159,374,414
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$10,668,642	\$200,033,586		\$304,679,316

(Continued)

**LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA
Combining Schedule of Cash Flows, by College
For the Year Ended June 30, 2015**

	Board Office	Baton Rouge Community College	Bossier Parish Community College	Central Louisiana Technical Community College	Delgado Community College
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:					
Operating loss	(\$18,599,297)	(\$40,672,450)	(\$35,125,317)	(\$12,170,655)	(\$78,419,269)
Adjustments to reconcile operating loss to net cash used by operating activities:					
Depreciation/amortization expense	1,957,170	1,622,672	852,431	304,170	2,898,058
Pension expense	2,778,485	5,308,177	5,337,274	1,286,565	9,851,089
CY pension contributions made subsequent to the measurement date	(2,580,738)	(6,207,015)	(5,241,039)	(1,492,620)	(11,856,506)
Noncash capital expense		2,674,779			
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable, net	(1,785,963)	(427,545)	579,613	488,259	2,714,763
(Increase) decrease in inventories					
(Increase) decrease in prepaid expenses and advances		7,442	37,314	9,413	(16,561)
(Increase) decrease in notes receivable	1,541,225				21,473
(Increase) decrease in other assets	1		(1,700)		
Increase (decrease) in accounts payable and accrued liabilities	(646,326)	369,328	(1,620,312)	159,617	(1,211,020)
Increase (decrease) in unearned revenue	208,582	251,690	(87,459)	(28,739)	502,189
Increase (decrease) in amounts held in custody for others	2,141	157,251	8,332	323	4,679
Increase (decrease) in compensated absences	151,008	(26,392)	29,755	(22,262)	38,866
Increase in OPEB payable	409,908	1,707,310	1,718,500	362,600	3,150,500
Increase (decrease) in other liabilities		230,474	(1,541,225)		(2,467)
Net cash used by operating activities:	<u>(\$16,563,804)</u>	<u>(\$35,004,279)</u>	<u>(\$35,053,833)</u>	<u>(\$11,103,329)</u>	<u>(\$72,324,206)</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION:					
Cash and cash equivalents classified as current assets	\$16,099,387	\$18,315,506	\$2,234,295	\$531,329	\$11,657,844
Cash and cash equivalents classified as noncurrent assets				290,311	
Cash and cash equivalents at the end of the year	<u>\$16,099,387</u>	<u>\$18,315,506</u>	<u>\$2,234,295</u>	<u>\$821,640</u>	<u>\$11,657,844</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES					
Capital Appropriations for purchase of equipment, buildings or land		\$2,674,779	\$38,274		\$13,994,393
Noncash capital grant/gift of capital assets		8,825,000	15,966,903		253,519
Loss on disposal of capital assets		(23,625)	(299,832)	(\$8,045)	(6,284)
Loss on disposal of construction in progress		(139,623)			
Unrealized gain on investments					
Increase in noncapital accounts & contracts payable					
Decrease in accrued interest payable					
Capitalized interest including capitalized amortization					
Amortization of bond premium					
Accretion of bond discount					
Amortization of bond issuance costs					
Increase in capital accounts and retainage payable					
Non-Employer Contributing Entity (NCE) Revenue	\$63,143	153,464	120,287	40,200	292,011
Increase in prepaid capital construction costs					

(Continued)

Schedule 7

Elaine P. Nunez Community College	LCTCS Online	L.E. Fletcher Technical Community College	Louisiana Delta Community College	Northshore Technical Community College	Northwest Louisiana Technical College	River Parishes Community College	South Central Louisiana Technical College	South Louisiana Community College
(\$9,403,144)	(\$1,328,667)	(\$7,254,923)	(\$18,754,949)	(\$11,109,809)	(\$14,329,874)	(\$5,326,774)	(\$9,301,725)	(\$24,659,599)
634,385		632,795	660,911	221,123	610,436	210,122	395,714	1,634,078
1,356,494	155,711	967,906	2,115,039	1,341,339	1,534,257	631,344	1,801,178	2,928,663
(1,378,767)	(150,285)	(1,386,345)	(3,066,684)	(1,768,543)	(1,546,797)	(1,114,021)	(1,503,959)	(3,796,992)
(868,253)	65,052	(18,468)	258,364	2,278	(70,362)	(120,354)	448,223	(380,220)
16,122		579	(2,177)					
		(9,802)		9,828		(9,164)	(1)	9,853
2,300						143,213		
105,417	(446,411)	184,607	(20,746)	72,370	136,663	30,813	185,753	595,000
(42,717)		155,628	(24,870)	(25,151)	44,286	47,162	(57,935)	288,634
4,913		734	87,227	9,643	26,305	(1,169)	80,442	(76,016)
469	21,440	28,224	45,176	838	(110,630)	42,578	46,816	(12,214)
459,997		415,318	815,382	489,253	389,801	313,100	447,900	984,100
						(41,915)		
<u>(\$9,112,784)</u>	<u>(\$1,683,160)</u>	<u>(\$6,283,747)</u>	<u>(\$17,887,327)</u>	<u>(\$10,756,831)</u>	<u>(\$13,315,915)</u>	<u>(\$5,195,065)</u>	<u>(\$7,457,594)</u>	<u>(\$22,484,713)</u>
\$2,742,416	\$9,376	\$3,144,659	\$1,481,685	\$2,649,573	\$3,766,694	\$2,782,004	\$5,670,453	\$22,385,734
215,822								
<u>\$2,958,238</u>	<u>\$9,376</u>	<u>\$3,144,659</u>	<u>\$1,481,685</u>	<u>\$2,649,573</u>	<u>\$3,766,694</u>	<u>\$2,782,004</u>	<u>\$5,670,453</u>	<u>\$22,385,734</u>
		\$5,268,467		\$1,868,000				\$381,101
			(\$67,639)			(\$25,000)	(\$98,560)	(37,541)
		2,403	4,201					
\$35,990	\$4,337	30,973	67,842	43,965	\$38,830	24,957	35,424	93,492
606,249								

**LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA
Combining Schedule of Cash Flows, by College
For the Year Ended June 30, 2015**

	SOWELA Technical Community College	Facilities Corporations	System Eliminating Entries	Total Per System
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:				
Operating loss	(\$14,609,216)	(\$10,528,947)	\$7,517,214	(\$304,077,401)
Adjustments to reconcile operating loss to net cash used by operating activities:				
Depreciation/amortization expense	1,009,507	10,528,947		24,172,519
Pension expense	1,458,365			38,851,886
CY pension contributions made subsequent to the measurement date	(1,935,802)			(45,026,113)
Noncash capital expense				2,674,779
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable, net	142,051		219,190	1,246,628
(Increase) decrease in inventories	3,492			18,016
(Increase) decrease in prepaid expenses and advances				38,322
(Increase) decrease in notes receivable			(1,541,225)	21,473
(Increase) decrease in other assets				143,814
Increase (decrease) in accounts payable and accrued liabilities	438,040		(219,190)	(1,886,397)
Increase (decrease) in unearned revenue	(16,542)			1,214,758
Increase (decrease) in amounts held in custody for others	11,011			315,816
Increase (decrease) in compensated absences	93,395			327,067
Increase in OPEB payable	548,929			12,212,598
Increase (decrease) in other liabilities			1,541,225	186,092
Net cash used by operating activities:	(\$12,856,770)		\$7,517,214	(\$269,566,143)
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION:				
Cash and cash equivalents classified as current assets	\$10,668,642			\$104,139,597
Cash and cash equivalents classified as noncurrent assets		\$200,033,586		200,539,719
Cash and cash equivalents at the end of the year	\$10,668,642	\$200,033,586		\$304,679,316
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Capital Appropriations for purchase of equipment, buildings or land				\$21,975,913
Noncash capital grant/gift of capital assets	\$452,303			27,746,826
Loss on disposal of capital assets	(60,254)	(\$15,967,096)		(16,593,876)
Loss on disposal of construction in progress				(139,623)
Unrealized gain on investments	24			6,628
Increase in noncapital accounts & contracts payable		376,852		376,852
Decrease in accrued interest payable		(94,535)		(94,535)
Capitalized interest including capitalized amortization		1,081,684		1,081,684
Amortization of bond premium		585,700		585,700
Accretion of bond discount		777,672		777,672
Amortization of bond issuance costs		465,993		465,993
Increase in capital accounts and retainage payable		200,037		200,037
Non-Employer Contributing Entity (NCE) Revenue	46,688			1,091,603
Increase in prepaid capital construction costs				606,249

(Concluded)

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

**Combining Schedule of Net Position, by College
For the Year Ended June 30, 2014**

	*	*	*	Central Louisiana Technical Community College	Delgado Community College	Elaine P. Nunez Community College	LCTCS Online	L.E. Fletcher Technical Community College
	* Board Office	Baton Rouge Community College	Bossier Parish Community College	Central Louisiana Technical Community College	Delgado Community College	Elaine P. Nunez Community College	LCTCS Online	L.E. Fletcher Technical Community College
ASSETS								
Current assets:								
Cash and cash equivalents	\$16,220,027	\$16,722,081	\$2,489,758	\$169,172	\$10,183,082	\$2,917,496	\$396,479	\$1,713,751
Receivables, net	722,771	4,968,421	6,756,893	1,147,092	10,415,553	559,396		982,032
Due from State Treasury	391,098							
Due from federal government	7,471,134	390,110	984,181	203,015	2,124,192	455,065		4,135
Due from LCTCS Colleges/LCTCS	1,237,043	521,646	253,923	557,849	1,315,958	185,103	72,577	180,797
Inventories								863
Prepaid expenses and advances		178,828	37,314	21,142	1,845,235	45,555		7,556
Notes receivable, net	1,416,889							
Other current assets						21,714		2,408
Total current assets	27,458,962	22,781,086	10,522,069	2,098,270	25,884,020	4,184,329	469,056	2,891,542
Noncurrent Assets								
Restricted assets:								
Cash and cash equivalents				290,657		481,787		
Investments		330,154	124,902		3,923,878			120,000
Notes receivable, net					21,473			
Other								
Investments								
Notes receivable, net	1,416,889							
Capital assets, net	13,623,802	22,127,629	2,738,974	2,471,564	47,748,081	18,063,202		2,910,373
Other noncurrent assets								
Total noncurrent assets	15,040,691	22,457,783	2,863,876	2,762,221	51,693,432	18,544,989		3,030,373
Total assets	42,499,653	45,238,869	13,385,945	4,860,491	77,577,452	22,729,318	469,056	5,921,915
LIABILITIES								
Current liabilities:								
Accounts payable and accruals	12,567,852	2,258,271	3,548,537	720,094	4,491,855	562,555	52,629	872,905
Due to federal government	816	30,293						
Due to LCTCS College/LCTCS	5,721,592	5,991	863,414	43,340	33,589	2,244	413,064	4,386
Unearned revenues	833,362	1,397,056	1,396,335	339,313	3,729,858	276,615		218,829
Amounts held in custody for others	7,130	7,896	747,212	14,294	206,734	63,512		2,296
Compensated absences payable	84,971	224,192	78,058	164,481	379,879	18,473	2,752	55,781
Notes payable			1,416,889					
Capital lease obligations					82,500			
Contracts payable								
Bonds payable, net								
Other current liabilities					60,505			
Total current liabilities	19,215,723	3,923,699	8,050,445	1,281,522	8,984,920	923,399	468,445	1,154,197
Noncurrent liabilities:								
Compensated absences payable	1,157,115	2,686,860	2,108,674	379,672	4,387,895	691,998	27,855	564,889
Notes payable			1,416,889					
Capital lease obligations					3,175,000			
OPEB Payable	3,622,287	18,534,009	15,614,207	6,497,200	35,551,100	4,840,500		3,636,184
Bonds payable, net								
Total noncurrent liabilities	4,779,402	21,220,869	19,139,770	6,876,872	43,113,995	5,532,498	27,855	4,201,073
Total liabilities	23,995,125	25,144,568	27,190,215	8,158,394	52,098,915	6,455,897	496,300	5,355,270
NET POSITION								
Net investment in capital assets	13,623,802	22,127,629	2,738,974	2,471,564	44,490,581	18,063,202		2,910,373
Restricted:								
Nonexpendable		240,000	100,000	288,936	2,682,105	571,200		120,000
Expendable	1,652,603	8,843,408	1,307,495	1,981,773	13,251,595	2,011,028		1,041,386
Unrestricted	3,228,123	(11,116,736)	(17,950,739)	(8,040,176)	(34,945,744)	(4,372,009)	(27,244)	(3,505,114)
Total Net Position	\$18,504,528	\$20,094,301	(\$13,804,270)	(\$3,297,903)	\$25,478,537	\$16,273,421	(\$27,244)	\$566,645

* Effective July 1, 2013, the campuses of Capital Area Technical College (CATC) merged with Baton Rouge Community College (BRCC), and the Technical Division was combined with the Board Office. The beginning balances for BRCC and the Board office for the fiscal year ended June 30, 2014 have been restated to reflect this change.

Schedule 8

Louisiana Delta Community College	Northshore Technical Community College	Northwest Louisiana Technical College	River Parishes Community College	South Central Louisiana Technical College	South Louisiana Community College	SOWELA Technical Community College	Facilities Corporations	System Eliminating Entries	Total Per System
\$3,208,261	\$2,434,752	\$3,617,084	\$1,463,087	\$6,261,847	\$17,644,463	\$9,444,359			\$94,885,699
1,741,294	351,951	593,104	986,895	1,449,076	725,976	972,824			32,373,278
									391,098
171,280	68,768	39,139	65,079	402	935,266	973,577			13,885,343
806,275	222,302	342,993	112,424	306,328	723,686	291,471	\$30,000	(\$7,160,375)	
6,892						3,492			11,247
	28,176	5,902	23,595	4,479	19,898				2,217,680
								(1,416,889)	
			48,571						72,693
<u>5,934,002</u>	<u>3,105,949</u>	<u>4,598,222</u>	<u>2,699,651</u>	<u>8,022,132</u>	<u>20,049,289</u>	<u>11,685,723</u>	<u>30,000</u>	<u>(8,577,264)</u>	<u>143,837,038</u>
17,984							63,698,287		64,488,715
537,758					200,000		34,186,641		39,423,333
									21,473
							28,817		28,817
						46,920			46,920
								(1,416,889)	
6,591,116	1,153,195	5,444,641	2,824,137	2,045,640	8,323,309	13,938,722	265,235,856		415,240,241
							3,504,261		3,504,261
<u>7,146,858</u>	<u>1,153,195</u>	<u>5,444,641</u>	<u>2,824,137</u>	<u>2,045,640</u>	<u>8,523,309</u>	<u>13,985,642</u>	<u>366,653,862</u>	<u>(1,416,889)</u>	<u>522,753,760</u>
<u>13,080,860</u>	<u>4,259,144</u>	<u>10,042,863</u>	<u>5,523,788</u>	<u>10,067,772</u>	<u>28,572,598</u>	<u>25,671,365</u>	<u>366,683,862</u>	<u>(9,994,153)</u>	<u>666,590,798</u>
1,041,245	547,656	413,729	324,423	675,450	1,296,594	1,022,928	2,919,668		33,316,391
									31,109
40,511	1,335	5,220	1,773	13,424	4,204	6,288		(7,160,375)	
234,835	199,476	197,379	396,347	628,947	748,619	515,025			11,111,996
23,407	6,450	40,578	6,004	7,214	199,384	7,004	5,525,675		6,864,790
108,662	83,158	86,650	46,987	276,326	246,601	104,346			1,961,317
								(1,416,889)	
									82,500
							51,237		51,237
							10,855,000		10,855,000
							3,077,072		3,197,452
<u>1,448,660</u>	<u>838,075</u>	<u>743,556</u>	<u>835,409</u>	<u>1,601,361</u>	<u>2,495,402</u>	<u>1,655,591</u>	<u>22,428,652</u>	<u>(8,577,264)</u>	<u>67,471,792</u>
917,575	507,291	700,621	330,090	320,571	1,251,127	623,759		(1,416,889)	16,655,992
									3,175,000
8,657,081	5,018,477	6,328,748	3,555,754	5,722,800	14,862,500	6,055,633			138,496,480
							306,931,533		306,931,533
<u>9,574,656</u>	<u>5,525,768</u>	<u>7,029,369</u>	<u>3,885,844</u>	<u>6,043,371</u>	<u>16,113,627</u>	<u>6,679,392</u>	<u>306,931,533</u>	<u>(1,416,889)</u>	<u>465,259,005</u>
<u>11,023,316</u>	<u>6,363,843</u>	<u>7,772,925</u>	<u>4,721,253</u>	<u>7,644,732</u>	<u>18,609,029</u>	<u>8,334,983</u>	<u>329,360,185</u>	<u>(9,994,153)</u>	<u>532,730,797</u>
6,591,116	1,153,195	5,444,641	2,824,137	2,045,640	8,323,309	13,938,722	4,936,286		151,683,171
421,720					200,000				4,623,961
2,169,819	1,424,997	1,923,591	1,285,407	2,502,419	7,665,592	3,345,296	32,387,391		82,793,800
(7,125,111)	(4,682,891)	(5,098,294)	(3,307,009)	(2,125,019)	(6,225,332)	52,364			(105,240,931)
<u>\$2,057,544</u>	<u>(\$2,104,699)</u>	<u>\$2,269,938</u>	<u>\$802,535</u>	<u>\$2,423,040</u>	<u>\$9,963,569</u>	<u>\$17,336,382</u>	<u>\$37,323,677</u>		<u>\$133,860,001</u>

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

**Combining Schedule of Revenues, Expenses,
and Changes in Net Position, by College
For the Year Ended June 30, 2014**

	*	*	*	Central Louisiana Technical Community College	Delgado Community College	Elaine P. Nunez Community College	LCTCS Online	L.E. Fletcher Technical Community College
	* Board Office	Baton Rouge Community College	Bossier Parish Community College	Central Louisiana Technical Community College	Delgado Community College	Elaine P. Nunez Community College	LCTCS Online	L.E. Fletcher Technical Community College
OPERATING REVENUES								
Student tuition and fees		\$28,682,917	\$26,755,068	\$6,117,868	\$55,452,273	\$5,241,189		\$7,017,923
Less scholarship allowances		(13,015,937)	(9,980,396)	(1,842,713)	(14,115,455)	(2,984,321)		(1,681,633)
Net student tuition and fees		15,666,980	16,774,672	4,275,155	41,336,818	2,256,868		5,336,290
Federal grants and contracts	\$30,900,038	2,840,572	7,514,923	1,230,519	4,120,833	993,620	\$116,924	606,333
State and local grants and contracts	3,768,635	1,371,512	1,492,526	368,550	1,545,986	189,146		1,978,885
Nongovernmental grants and contracts	155,676	94,589	591,760	3,527	1,527,774	44,187		124,214
Sales and services of educational departments		5,987	40,786			41,660		
Interagency revenue	6,607,136	150,155	67,232					
Auxiliary enterprise revenues		419,691	484,012	256,528	1,442,997	23,557		42,758
Less scholarship allowances			(66,897)					
Net auxiliary revenues		419,691	417,115	256,528	1,442,997	23,557		42,758
Other operating revenues	3,539	50,136		1,405	159,244	24,535		155
Total operating revenues	41,435,024	20,599,622	26,899,014	6,135,684	50,133,652	3,573,573	116,924	8,088,635
OPERATING EXPENSES								
Educational and general:								
Instruction		22,152,843	27,859,318	6,737,643	50,583,687	4,268,350	436,025	5,375,064
Public service			1,063,718					
Academic support	42,803,787	4,876,674	1,567,321	1,037,916	9,174,128	758,115	514,197	2,468,706
Student services		8,251,358	2,858,374	964,280	6,765,953	863,870		836,154
Institutional support	27,425,299	8,115,417	5,381,386	2,230,057	11,180,171	2,446,391	84,523	2,372,344
Operations and maintenance of plant	340,884	7,148,363	3,354,860	1,452,395	11,043,722	1,497,735		851,777
Depreciation	1,882,058	1,413,053	275,057	377,862	2,941,181	609,169		479,872
Scholarships and fellowships		8,766,050	14,595,001	3,675,794	32,317,006	2,333,522		3,153,382
Auxiliary enterprises		120,635	599,624	359,521	2,352,980	926		3,571
Interagency Expense	2,190,212	908,511	797,100	261,808	1,781,736	189,140	379,579	202,788
Other operating expenses			112,760			3,149		
Total operating expenses	74,642,240	61,752,904	58,464,519	17,097,276	128,140,564	12,970,367	1,414,324	15,743,658
OPERATING LOSS	(33,207,216)	(41,153,282)	(31,565,505)	(10,961,592)	(78,006,912)	(9,396,794)	(1,297,400)	(7,655,023)
NONOPERATING REVENUES (Expenses)								
State appropriations	27,156,540	15,506,345	7,597,351	5,964,289	26,855,285	3,195,369	1,295,904	2,750,722
Gifts				10,457		565		135,571
Federal nonoperating revenues		17,979,582	22,435,548	3,643,993	44,482,957	5,249,043		4,184,140
Net investment income	22,491	74,797	9,785	758	577,715	13,532	242	9,276
Interest expense					(130,871)			
Other nonoperating revenues (expense)	1,930,520	1,723,274	2,084,511	1,125,153	4,260,192	720,395	177	766,534
Net nonoperating revenues (expenses)	29,109,551	35,283,998	32,127,195	10,744,650	76,045,278	9,178,904	1,296,323	7,846,243
Income (loss) before other revenues and additions	(4,097,665)	(5,869,284)	561,690	(216,942)	(1,961,634)	(217,890)	(1,077)	191,220
Capital appropriations		492,020			3,452,179	2,088,713		
Capital grants and gifts								
Additions to permanent endowment				400				
Other deductions, net					(10,534)	(185,700)		
Increase (decrease) in net position	(4,097,665)	(5,377,264)	561,690	(216,542)	1,480,011	1,685,123	(1,077)	191,220
NET POSITION - BEGINNING OF YEAR (Restated)	22,602,193	25,471,565	(14,365,960)	(3,081,361)	23,998,526	14,588,298	(26,167)	375,425
NET POSITION - END OF YEAR	\$18,504,528	\$20,094,301	(\$13,804,270)	(\$3,297,903)	\$25,478,537	\$16,273,421	(\$27,244)	\$566,645

* Effective July 1, 2013, the campuses of Capital Area Technical College (CATC) merged with Baton Rouge Community College (BRCC), and the Technical Division was combined with the Board Office. The beginning balances for BRCC and the Board office for the fiscal year ended June 30, 2014 have been restated to reflect this change.

Schedule 9

Louisiana Delta Community College	Northshore Technical Community College	Northwest Louisiana Technical College	River Parishes Community College	South Central Louisiana Technical College	South Louisiana Community College	SOWELA Technical Community College	Facilities Corporations	System Eliminating Entries	Total Per System
\$11,184,584	\$6,743,897	\$5,149,776	\$7,285,421	\$7,659,093	\$17,105,404	\$9,812,756			\$194,208,169
(6,952,381)	(4,525,177)	(4,238,682)	(4,195,356)	(3,001,135)	(9,336,791)	(4,587,612)			(80,457,589)
4,232,203	2,218,720	911,094	3,090,065	4,657,958	7,768,613	5,225,144			113,750,580
3,267,198	1,009,398	823,377	496,280	606,490	1,539,677	665,422		(\$12,134,262)	44,597,342
1,289,146	547,094	149,509	133,562	1,593,556	428,514	179,276		(1,867,843)	13,168,054
186,960		41,160	10,200	429,032	112,744	279,289		(147,508)	3,453,604
16,630	5,462	14,094			14,817	5,348			144,784
49,816		52,135						(6,926,474)	
14,233	3,278		8,237		114,842				2,810,133
									(66,897)
14,233	3,278		8,237		114,842				2,743,236
1,505	69,222		17,414	39	22,537	5,615			355,346
9,057,691	3,853,174	1,991,369	3,755,758	7,287,075	10,001,744	6,360,094		(21,076,087)	178,212,946
11,724,351	7,252,794	6,780,525	3,546,289	8,065,949	15,087,304	7,772,161			177,642,303
									1,063,718
3,115,503	1,390,419	247,530	1,160,425	226,681	3,211,668	1,343,244		(32,389,613)	41,506,701
2,377,574	1,300,032	1,212,509	981,255	750,419	3,039,663	1,516,702			31,718,143
5,464,531	2,664,223	2,689,856	1,729,515	3,168,286	4,179,857	3,558,642			82,690,498
2,521,154	1,173,507	1,386,471	947,134	970,186	4,232,162	1,497,113			38,417,463
629,632	263,725	686,207	220,190	411,842	1,858,756	658,796	\$9,481,550		22,188,950
2,220,009	1,699,505	2,515,551	690,044	1,184,479	4,547,222	3,023,825			80,721,390
1,459	495								3,439,211
424,643	224,867	255,020	197,408	168,424	630,947	306,875		(8,919,058)	
									115,909
28,478,856	15,969,567	15,773,669	9,472,260	14,946,266	36,787,579	19,677,358	9,481,550	(41,308,671)	479,504,286
(19,421,165)	(12,116,393)	(13,782,300)	(5,716,502)	(7,659,191)	(26,785,835)	(13,317,264)	(9,481,550)	20,232,584	(301,291,340)
8,320,402	5,139,834	7,073,086	3,064,565	4,382,401	13,202,447	5,969,614			137,474,154
1,000		500		15,751	2,454	260,975			427,273
7,901,589	4,688,204	4,960,665	2,690,281	2,531,633	11,216,923	6,107,200			138,071,758
34,573	3,054	3,781		5,998	15,126	39,373	277,247		1,087,748
							(11,277,447)		(11,408,318)
1,214,260	1,021,414	568,541	878,505	597,087	2,677,674	3,180,705	(2,958,816)	(18,240,000)	1,550,126
17,471,824	10,852,506	12,606,573	6,633,351	7,532,870	27,114,624	15,557,867	(13,959,016)	(18,240,000)	267,202,741
(1,949,341)	(1,263,887)	(1,175,727)	916,849	(126,321)	328,789	2,240,603	(23,440,566)	1,992,584	(34,088,599)
	195,000				6,500	2,082,584	26,176,101	(1,992,584)	32,299,013
6,231						2,177,772			2,379,272
									6,631
(1,943,110)	(1,068,887)	(1,175,727)	916,849	(126,321)	335,289	6,500,959	2,735,535		(196,234)
									400,083
4,000,654	(1,035,812)	3,445,665	(114,314)	2,549,361	9,628,280	10,835,423	34,588,142		133,459,918
\$2,057,544	(\$2,104,699)	\$2,269,938	\$802,535	\$2,423,040	\$9,963,569	\$17,336,382	\$37,323,677	NONE	\$133,860,001

Schedule 10

Elaine P. Nunez Community College	LCTCS Online	L.E. Fletcher Technical Community College	Louisiana Delta Community College	Northshore Technical Community College	Northwest Louisiana Technical College	River Parishes Community College	South Central Louisiana Technical College	South Louisiana Community College
\$2,325,681		\$5,137,728	\$4,114,235	\$1,919,194	\$848,394	\$2,665,845	\$4,615,389	\$7,879,615
1,140,450	\$44,347	2,594,259	5,085,536	1,792,559	1,012,645	407,848	2,099,746	1,977,225
41,660			16,630	5,462	14,094			14,817
23,557		42,758	14,233			8,237		114,842
(5,619,722)	(669,247)	(5,437,794)	(13,185,546)	(7,383,170)	(6,195,201)	(4,217,274)	(5,478,832)	(15,370,255)
(2,074,534)	(191,466)	(2,149,986)	(5,365,249)	(2,931,734)	(3,128,731)	(1,779,816)	(2,326,708)	(6,551,749)
(377,483)		(403,394)	(629,660)	(369,817)	(634,014)	(208,345)	(373,892)	(1,246,161)
(1,392,921)	(127,716)	(3,491,253)	(5,731,123)	(2,634,497)	(2,113,902)	(1,906,247)	(4,857,505)	(5,957,552)
(2,345,609)		(3,162,449)	(2,179,708)	(1,693,480)	(2,515,750)	(772,791)	(1,186,098)	(4,546,642)
	(41,490)	(207,140)	(360,018)	(222,528)	(169,125)	16,119	(157,489)	(893,046)
<u>(8,278,921)</u>	<u>(985,572)</u>	<u>(7,077,271)</u>	<u>(18,220,670)</u>	<u>(11,518,011)</u>	<u>(12,881,590)</u>	<u>(5,786,424)</u>	<u>(7,665,389)</u>	<u>(24,578,906)</u>
3,190,325	1,295,904	2,746,205	8,306,505	5,632,100	7,061,703	3,064,565	4,375,957	13,179,931
5,989,329		4,901,146	8,631,847	5,620,512	5,353,208	3,568,786	3,031,297	16,773,898
			60,000					
200,032		619,384	453,297	167,748	193,666	429,236	356,641	348,087
(200,032)		(619,384)	(453,297)	(167,748)	(193,666)	(429,236)	(356,641)	(348,087)
2,375,314						3,572,670		
(2,375,314)						(3,572,670)		
(58,320)	177	80,030	207,178	16,445	24,844		113,174	527,429
<u>9,121,334</u>	<u>1,296,081</u>	<u>7,727,381</u>	<u>17,205,530</u>	<u>11,269,057</u>	<u>12,439,755</u>	<u>6,633,351</u>	<u>7,520,428</u>	<u>30,481,258</u>
2,088,713								
(2,104,156)		(257,804)	(288,025)	(72,024)	(248,009)	(396,285)	(267,549)	(921,189)
(127,380)								
<u>(142,823)</u>		<u>(257,804)</u>	<u>(288,025)</u>	<u>(72,024)</u>	<u>(248,009)</u>	<u>(396,285)</u>	<u>(267,549)</u>	<u>(921,189)</u>
13,532	242	9,276	25,958	3,054	3,781		5,998	15,126
			(100,000)					(200,000)
<u>13,532</u>	<u>242</u>	<u>9,276</u>	<u>(74,042)</u>	<u>3,054</u>	<u>3,781</u>		<u>5,998</u>	<u>(184,874)</u>
713,122	310,751	401,582	(1,377,207)	(317,924)	(686,063)	450,642	(406,512)	4,796,289
2,686,161	85,728	1,312,169	4,603,452	2,752,676	4,303,147	1,012,445	6,668,359	12,848,174
<u>\$3,399,283</u>	<u>\$396,479</u>	<u>\$1,713,751</u>	<u>\$3,226,245</u>	<u>\$2,434,752</u>	<u>\$3,617,084</u>	<u>\$1,463,087</u>	<u>\$6,261,847</u>	<u>\$17,644,463</u>

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

**Combining Schedule of Cash Flows, by College
For the Year Ended June 30, 2014**

	SOWELA Technical Community College	Facilities Corporations	System Eliminating Entries	Total Per System
CASH FLOWS FROM OPERATING ACTIVITIES:				
Tuition and fees	\$4,868,751			\$110,914,072
Grants and contracts	578,345		(\$14,149,613)	61,478,106
Sales and services of educational departments	5,348			144,784
Auxiliary enterprise receipts				2,229,117
Payments for employee compensation	(7,821,146)			(184,578,865)
Payments for benefits	(3,100,411)			(72,085,752)
Payments for utilities	(525,494)			(11,124,567)
Payments for supplies and services	(3,330,493)		41,308,671	(93,549,120)
Payments for scholarships and fellowships	(3,023,910)			(80,631,234)
Other receipts (payments)	(301,207)		(6,926,474)	(2,681,224)
Net cash used by operating activities	(12,650,217)		20,232,584	(269,884,683)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
State appropriations	5,964,131			138,213,603
Gifts and grants for other than capital purposes	8,951,419		(20,232,584)	138,190,288
Private gifts for endowment purposes				60,400
Taylor Opportunity Program for Students receipts	768,886			7,819,573
Taylor Opportunity Program for Students disbursements	(768,886)			(7,727,935)
Federal Emergency Management Agency receipts				237,387
Federal Emergency Management Agency disbursements				(225,729)
Direct lending receipts				120,968,875
Direct lending disbursements				(120,968,875)
Other receipts (disbursements)	409,443	(\$362,407)		3,768,643
Net cash provided (used) by noncapital financing activities	15,324,993	(362,407)	(20,232,584)	280,336,230
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital appropriations received		26,176,101		28,756,834
Capital grants and gifts received		5,525,675		5,525,675
Purchases of capital assets	(756,501)	(32,392,773)		(41,850,781)
Principal paid on capital debt and leases		(10,140,000)		(10,302,500)
Interest paid on capital debt and leases		(12,182,468)		(12,313,339)
Deposit with trustees				(1,604,446)
Other sources (uses)		(2,347,279)		(2,474,659)
Net cash provided (used) by capital and related financing activities	(756,501)	(25,360,744)		(34,263,216)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sales and maturities of investments		28,589,339		28,589,339
Interest received on investments	39,321	277,247		1,045,413
Purchase of investments				(668,022)
Net cash provided (used) by investing activities	39,321	28,866,586		28,966,730
Net Increase (decrease) in Cash	1,957,596	3,143,435		5,155,061
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR, Restated				
	7,486,763	60,554,852		154,219,353
CASH AND CASH EQUIVALENTS AT END OF YEAR				
	\$9,444,359	\$63,698,287		\$159,374,414

(Continued)

**LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA
Combining Schedule of Cash Flows, by College
For the Year Ended June 30, 2014**

	*	*		Central Louisiana Technical Community College	Delgado Community College
	* Board Office	Baton Rouge Community College	Bossier Parish Community College		
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:					
Operating loss	(\$33,207,216)	(\$41,153,282)	(\$31,565,505)	(\$10,961,592)	(\$78,006,912)
Adjustments to reconcile operating loss to net cash used by operating activities:					
Depreciation expense	1,882,058	1,413,053	275,057	377,862	2,941,181
Changes in assets and liabilities:					
(Increase) decrease in accounts receivables, net	551,334	(816,861)	(3,132,931)	(863,072)	3,992,331
(Increase) decrease in inventories					
(Increase) decrease in prepaid expenses and advances		75,394	505	4,573	646,647
(Increase) decrease in notes receivable	(2,833,778)				
(Increase) decrease in other assets					
Increase (decrease) in accounts payable and accrued liabilities	897,274	400,839	1,379,059	191,377	(2,725,495)
Increase (decrease) in unearned revenues	444,324	494,384	(60,883)	(10,653)	(39,010)
Increase (decrease) in amounts held in custody for others	(2,843)		(117,580)	247	(2,481)
Increase (decrease) in compensated absences	176,171	126,288	214,441	(86,382)	(169,702)
Increase (decrease) in other postemployment benefits payable	391,384	1,651,191	1,331,804	287,200	2,708,700
Increase (decrease) in other liabilities	(1)		2,393,646		33,559
Net cash used by operating activities:	<u>(\$31,701,293)</u>	<u>(\$37,808,994)</u>	<u>(\$29,282,387)</u>	<u>(\$11,060,440)</u>	<u>(\$70,621,182)</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION:					
Cash and cash equivalents classified as current assets	\$16,220,027	\$16,722,081	\$2,489,758	\$169,172	\$10,183,082
Cash and cash equivalents classified as noncurrent assets				290,657	
Cash and cash equivalents at the end of the year	<u>\$16,220,027</u>	<u>\$16,722,081</u>	<u>\$2,489,758</u>	<u>\$459,829</u>	<u>\$10,183,082</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES					
Capital Appropriations for purchase of equipment, buildings, or land					\$3,452,179
Noncash capital grant/gift of capital assets					
(Loss) on disposal of capital assets					(\$10,534)
Unrealized gain on investments					
(Decrease) in noncapital accounts and contracts payable					
(Decrease) in accrued interest payable					
Capitalized interest including capitalized amortization					
Amortization of bond premium					
Accretion of bond discount					
Amortization of bond issuance costs					
(Decrease) in capital accounts and retainage payable					

* Effective July 1, 2013, the campuses of Capital Area Technical College (CATC) merged with Baton Rouge Community College (BRCC), and the Technical Division was combined with the Board Office. The beginning balances for BRCC and the Board office for the fiscal year ended June 30, 2014 have been restated to reflect this change.

(Continued)

Schedule 10

Elaine P. Nunez Community College	LCTCS Online	L.E. Fletcher Technical Community College	* Louisiana Delta Community College	Northshore Technical Community College	Northwest Louisiana Technical College	River Parishes Community College	South Central Louisiana Technical College	* South Louisiana Community College
(\$9,396,794)	(\$1,297,400)	(\$7,655,023)	(\$19,421,165)	(\$12,116,393)	(\$13,782,300)	(\$5,716,502)	(\$7,659,191)	(\$26,785,835)
609,169		479,872	629,632	263,725	686,207	220,190	411,842	1,858,756
(56,993)	(72,569)	(342,106)	194,348	61,784	(76,772)	(575,152)	(553,151)	282,148
(5,306)		973	1,684					
		13,643		(9,566)		(11,272)		(19,098)
(19,414)		(2,408)				66,783		
26,902	382,901	28,174	(216,698)	(52,299)	24,267	(76,982)	(177,438)	(164,559)
52,711		28,864	39,638	(33,536)	20,143	(86,812)	(10,739)	(270,617)
63,512		(803)	(3,906)	(71,397)	20,844	(1,296)	(10,539)	(250,681)
33,792	1,496	(30,460)	(78,949)	(28,031)	21,900	(33,371)	(3,373)	(5,938)
413,500		402,003	634,746	467,702	204,121	375,400	337,200	776,918
						52,590		
<u>(\$8,278,921)</u>	<u>(\$985,572)</u>	<u>(\$7,077,271)</u>	<u>(\$18,220,670)</u>	<u>(\$11,518,011)</u>	<u>(\$12,881,590)</u>	<u>(\$5,786,424)</u>	<u>(\$7,665,389)</u>	<u>(\$24,578,906)</u>
\$2,917,496	\$396,479	\$1,713,751	\$3,208,261	\$2,434,752	\$3,617,084	\$1,463,087	\$6,261,847	\$17,644,463
481,787			17,984					
<u>\$3,399,283</u>	<u>\$396,479</u>	<u>\$1,713,751</u>	<u>\$3,226,245</u>	<u>\$2,434,752</u>	<u>\$3,617,084</u>	<u>\$1,463,087</u>	<u>\$6,261,847</u>	<u>\$17,644,463</u>
				\$195,000				\$6,500
			\$14,846		(\$8,978)	(\$38,304)		(2,400)

**LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA
Combining Schedule of Cash Flows, by College
For the Year Ended June 30, 2014**

	SOWELA Technical Community College	Facilities Corporations	System Eliminating Entries	Total Per System
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:				
Operating loss	(\$13,317,264)	(\$9,481,550)	\$20,232,584	(\$301,291,340)
Adjustments to reconcile operating loss to net cash used by operating activities:				
Depreciation expense	658,796	9,481,550		22,188,950
Changes in assets and liabilities:				
(Increase) decrease in accounts receivables, net	(830,620)			(2,238,282)
(Increase) decrease in inventories				2,657
(Increase) decrease in prepaid expenses and advances				695,520
(Increase) decrease in notes receivable			2,833,778	
(Increase) decrease in other assets				44,961
Increase (decrease) in accounts payable and accrued liabilities	457,257			374,579
Increase (decrease) in unearned revenues	(79,990)			487,824
Increase (decrease) in amounts held in custody for others	807			(376,116)
Increase (decrease) in compensated absences	(26,490)			111,392
Increase (decrease) in other postemployment benefits payable	487,287			10,469,156
Increase (decrease) in other liabilities			(2,833,778)	(353,984)
Net cash used by operating activities:	<u><u>(\$12,650,217)</u></u>	<u><u>\$63,698,287</u></u>	<u><u>\$20,232,584</u></u>	<u><u>(\$269,884,683)</u></u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION:				
Cash and cash equivalents classified as current assets	\$9,444,359			\$94,885,699
Cash and cash equivalents classified as noncurrent assets		\$63,698,287		64,488,715
Cash and cash equivalents at the end of the year	<u><u>\$9,444,359</u></u>	<u><u>\$63,698,287</u></u>	<u><u>NONE</u></u>	<u><u>\$159,374,414</u></u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Capital Appropriations for purchase of equipment, buildings, or land	\$2,082,584			\$5,534,763
Noncash capital grant/gift of capital assets	2,177,772			2,379,272
(Loss) on disposal of capital assets				(60,216)
Unrealized gain on investments	52			14,898
(Decrease) in noncapital accounts and contracts payable		(\$122,921)		(122,921)
(Decrease) in accrued interest payable		(73,594)		(73,594)
Capitalized interest including capitalized amortization		888,302		888,302
Amortization of bond premium		569,334		569,334
Accretion of bond discount		643,120		643,120
Amortization of bond issuance costs		470,364		470,364
(Decrease) in capital accounts and retainage payable		(217,386)		(217,386)

(Concluded)

**OTHER REPORT REQUIRED BY
*GOVERNMENT AUDITING STANDARDS***

Exhibit A

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



LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

December 16, 2015

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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Louisiana Community and Technical College System (System), a component unit of the state of Louisiana, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the System's basic financial statements, and have issued our report thereon dated December 16, 2015. Our report includes a reference to other auditors who audited the financial statements of the South Louisiana Facilities Corporation; the BRCC Facilities Corporation; Campus Facilities, Inc.; and the LCTCS Facilities Corporation, as described in our report on the System's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. Our report was modified to include an emphasis of matters section regarding actuarial assumptions and financial statement comparability.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Other Reports

Other external auditors audited the South Louisiana Facilities Corporation; Campus Facilities, Inc.; Delta Campus Facilities Corporation; BRCC Facilities Corporation; and the LCTCS Facilities Corporation, which are blended component units included in the System's basic financial statements for the year ended June 30, 2015. To obtain copies of those reports, refer to note 1-B to the basic financial statements for mailing addresses. These reports are also available on the Internet at www.lla.la.gov.

As a part of our audit of the System's basic financial statements for the year ended June 30, 2015, we performed certain procedures on colleges within the System. Our reports on those procedures for those colleges are listed as follows:

College	Audit Type	Issue Date	Finding Title
Baton Rouge Community College	Fiscal Year 2015 Management Letter	December 23, 2015	Inadequate Controls over the Assessment and Refunding of Student Tuition and Fees; Inaccurate Annual Fiscal Report; Untimely Termination of Access to the Banner System
Bossier Parish Community College	Fiscal Year 2015 Management Letter	December 7, 2015	Students Allowed to Attend Classes Owing Outstanding Balances
Central Louisiana Technical Community College	Fiscal Year 2015 Full Scope	Pending	Pending
Delgado Community College	Fiscal Year 2015 Management Letter	December 23, 2015	Noncompliance with Student Financial Assistance Regulations; Inadequate Controls over Banner System Access; Inadequate System for Tracking Parking Citations
Elaine P. Nunez Community College	Fiscal Year 2015 Management Letter	December 7, 2015	None
L. E. Fletcher Technical Community College	Fiscal Year 2015 Management Letter	December 16, 2015	Noncompliance with Student Financial Assistance Cluster Program Regulations for Return of Title IV Funds
Louisiana Delta Community College	None	N/A	N/A
Northshore Technical Community College	Fiscal Year 2015 Full Scope	November 4, 2015	None
Northwest Louisiana Technical College	Fiscal Year 2015 Procedural Report	November 18, 2015	None
River Parishes Community College	Fiscal Year 2015 Procedural Report	July 22, 2015	Overcharge of Registration Fees for Online Courses; Bank Reconciliations Not Performed
South Central Louisiana Technical College	None	N/A	N/A
South Louisiana Community College	Fiscal Year 2015 Management Letter	December 23, 2015	Inadequate Collection Procedures over Student Accounts Receivables; Inaccurate Reporting of Student Enrollment Status; Noncompliance with Student Financial Assistance Record Retention Regulations; Noncompliance with Cash Management Requirements; Inadequate Controls over Return of Title IV Funds; Inadequate Administration over Federal Direct Student Loans Program
SOWELA Technical Community College	Fiscal Year 2015 Procedural Report	July 22, 2015	None

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

Purpose of this Report

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

Respectfully submitted,

A handwritten signature in blue ink that reads "Daryl G. Purpera". The signature is written in a cursive style with a large initial "D".

Daryl G. Purpera, CPA, CFE
Legislative Auditor

KLD:ZMF:CLL:BQD:EFS:aa

LCTCS 2015