

# Annual Financial Report

Fiscal Year 2017

September 1, 2016–August 31, 2017



**LAMAR UNIVERSITY**  
MEMBER THE TEXAS STATE UNIVERSITY SYSTEM™



**Lamar University engages and empowers students with the skills and knowledge to thrive in their personal lives and chosen fields of endeavor. As a doctoral granting institution, Lamar University is internationally recognized for its high quality academics, innovative curriculum, diverse student population, accessibility, and leading edge scholarly activities dedicated to transforming the communities of Southeast Texas and beyond.**



**LAMAR UNIVERSITY**  
MEMBER THE TEXAS STATE UNIVERSITY SYSTEM™





**LAMAR UNIVERSITY**  
MEMBER THE TEXAS STATE UNIVERSITY SYSTEM™

November 20, 2017

Honorable Greg Abbott, Governor  
Honorable Glenn Hegar, Texas Comptroller  
Ursula Parks, Director, Legislative Budget Board  
Lisa Collier, First Assistant State Auditor

Ladies and Gentlemen:

We are pleased to submit the annual financial report of Lamar University for the year ended August 31, 2017, in compliance with Texas Government Code Annotated, Section 2101.011, and in accordance with the requirements established by the Texas Comptroller of Public Accounts.

Due to the statewide requirements embedded in Governmental Accounting Standards Board (GASB) 34, the Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all the requirements in this statement. The financial report will be considered for audit by the state auditor as part of the audit of the State of Texas *Comprehensive Annual Financial Report (CAFR)*; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

If you have any questions, please contact Ms. Jamie Larson at 409-880-7126. Contact Ms. Cindy Brown at 409-880-7925 for questions related to the Schedule of Expenditures of Federal Awards.

Sincerely,

Dr. Kenneth R. Evans  
President



LAMAR UNIVERSITY

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**LAMAR UNIVERSITY**  
MEMBER THE TEXAS STATE UNIVERSITY SYSTEM™

November 20, 2017

Dr. Kenneth Evans  
President  
Lamar University  
PO Box 10001  
Beaumont, TX 77710-0001

Dear Dr. Evans:

Submitted herein is the Annual Financial Report of Lamar University for fiscal year ended August 31, 2017.

The financial statements in this report have been prepared in conformity with the General Provisions of the Appropriations Act, Article IX, and in accordance with the requirements established by the Comptroller of Public Accounts.

The Annual Financial Report will be audited by the State Auditor as part of the audit of the Statewide Annual Financial Report; therefore, an opinion has not been expressed on the statements and related information contained in the report.

If you have any questions, please contact Jamie Larson at 409-880-7126.

Respectfully submitted,

Jamie Larson  
Associate Vice President for Finance

Approved:

Edward C. Ness  
Vice President for Finance and Operations





# Lamar University

A Member of The Texas State University System

ORGANIZATIONAL DATA AS OF AUGUST 31, 2017

## The Texas State University System

### BOARD OF REGENTS OFFICERS

Rossanna Salazar	Chairman
William F. Scott	Vice Chairman

Members	Term Expires	Hometown
Rossanna Salazar	2/1/2017	Austin
William F. Scott	2/1/2019	Nederland
Charlie Amato	2/1/2019	San Antonio
Veronica Muzquiz Edwards	2/1/2021	San Antonio
Dr. Jaime R. Garza	2/1/2017	San Antonio
David Montagne	2/1/2021	Beaumont
Vernon Reaser III	2/1/2019	Bellaire
Alan L. Tinsley	2/1/2021	Madisonville
Donna N. Williams	2/1/2017	Arlington
Kaitlyn Tyra, Student	5/31/2018	Huntsville

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### ADMINISTRATIVE OFFICERS

#### SYSTEM OFFICE

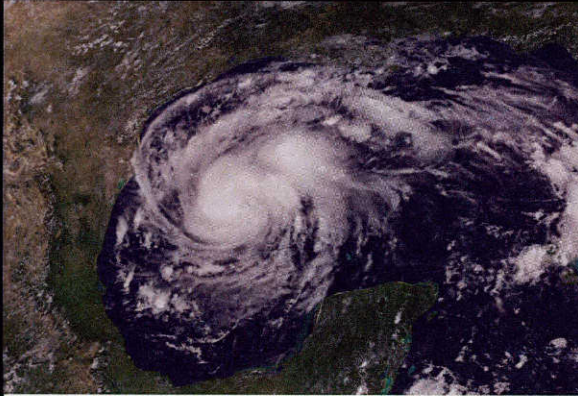
Dr. Brian McCall	Chancellor
Dr. John Hayek	Vice Chancellor for Academic Affairs
Dr. Fernando C. Gomez	Vice Chancellor and General Counsel
Dr. Roland Smith	Vice Chancellor for Finance
Sean Cunningham	Vice Chancellor for Governmental Relations
Peter E. Graves	Vice Chancellor for Contract Administration
Carole M. Fox	Director of Audits and Analysis

#### LAMAR UNIVERSITY

Dr. Kenneth Evans	President
Dr. James Marquart	Provost and Vice President for Academic Affairs
Edward C. Ness	Vice President for Finance and Operations
Dr. Vicki McNeil	Vice President for Student Engagement
Dr. John Bello-Ogunu	Vice President for Diversity and Inclusion
Juan Zabala	Vice President for University Advancement
Priscilla Parsons	Vice President for Information Technology
Jason Henderson	Athletic Director



## Proprietary Fund Financial Statements



### Hurricane Harvey and LU

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#### Timeline

- Classes were scheduled to begin August 28, 2017
- Hurricane Harvey was predicted to come ashore around Corpus Christi
- Students were invited to move in to the dorms early to avoid the rain weather reports estimated
- It came ashore and then wandered back out into the Gulf
- It made landfall in the Beaumont/Houston area August 29
- Harvey brought record rains—as much as 50 inches in 24 hours
- Then upriver, the U.S. Army Corps of Engineers released water from the dams, making a bad situation worse



**Texas State University System  
Lamar University  
Statement of Net Position  
August 31, 2017**

	Total
<b>ASSETS</b>	
<b>Current Assets:</b>	
Cash on Hand (Including Petty Cash)	\$ 18,200.00
Cash in Bank	13,954,202.71
Cash in State Treasury (Schedule 3)	3,087,635.70
Cash Equivalents	6,833,079.97
Cash in Bank	10,165,578.31
Legislative Appropriations	12,222,533.45
Receivables:	
Federal	1,344,478.67
Interest	11,773.60
Accounts – Tuition	36,978,812.79
Due From Other Agencies (Note 12)	1,494,780.74
Consumable Inventories	184,465.42
Merchandise Inventories	11,203.96
Prepaid Items	8,168,067.71
Loans and Contracts	5,132,638.04
<b>Total Current Assets</b>	<b>\$ 99,607,451.07</b>
<b>Noncurrent Assets</b>	
Restricted:	
Cash and Cash Equivalents: (Note 3)	
Cash in Bank	\$ 9,089,711.27
Cash Equivalents	71,198,116.54
Short Term Investments	
Investments (Note 3)	29,627,709.90
Receivables	55,143.18
Investments (Note 3)	30,223,939.46
Land and Land Improvements	11,742,096.95
Construction in Progress	56,450,996.38
Other Capital Assets	2,691,840.70
Depreciable or Amortizable	
Building and Building Improvements	252,296,029.18
Less Accumulated Depreciation	(135,259,794.64)
Infrastructure	18,437,788.54
Less Accumulated Depreciation	(13,142,087.52)
Facilities and Other Improvements	25,094,125.57
Less Accumulated Depreciation	(13,210,269.01)
Furniture and Equipment	27,572,219.38
Less Accumulated Depreciation	(20,386,554.45)
Vehicles, Boats, and Aircraft	1,750,403.30
Less Accumulated Depreciation	(1,301,754.59)
Other Capital Assets	22,825,209.08
Less Accumulated Depreciation	(20,942,571.38)
<b>Total Noncurrent Assets</b>	<b>\$ 354,812,297.84</b>
<b>Total Assets</b>	<b>\$ 454,419,748.91</b>

**Texas State University System  
Lamar University  
Statement of Net Position  
August 31, 2017**

	<u>Total</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
<b>Total Deferred Outflows of Resources</b>	<u><u>0.00</u></u>
<b>LIABILITIES</b>	
<b>Current Liabilities:</b>	
Payables from:	
Accounts Payable	\$ 6,244,549.68
Payroll Payable	9,645,562.89
Due to Other Agencies (Note 12)	7,796,580.59
Unearned Revenues	49,269,865.40
Employees' Compensable Leave (Note 5)	583,715.78
Funds Held for Others	440,357.55
Other Current Liabilities	162,598.00
<b>Total Current Liabilities</b>	<u>\$ 74,143,229.89</u>
<b>Noncurrent Liabilities</b>	
Employees' Compensable Leave (Note 5)	\$ 3,307,722.72
Other Non-Current Liabilities	305,963.67
<b>Total Non-Current Liabilities</b>	<u>3,613,686.39</u>
<b>Total Liabilities</b>	<u>\$ 77,756,916.28</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
<b>Total Deferred Inflows of Resources</b>	<u><u>0.00</u></u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	\$ 214,617,677.49
Restricted for:	
Capital Projects	76,662,946.82
Other	16,129,869.43
Funds Held as Permanent Investments:	
Nonexpendable:	
Endowment Funds	20,057,709.50
Expendable:	
Endowment Funds	4,052,791.70
Unrestricted	45,141,837.69
<b>Total Net Position</b>	<u><u>\$ 376,662,832.63</u></u>

**Texas State University System  
Lamar University  
Statement of Revenues, Expenses, and Changes in Net Position  
For the Year Ended August 31, 2017**

	<u>Total</u>
<b>Operating Revenues:</b>	
Tuition and Fees – Pledged	\$ 124,100,682.06
Tuition and Fees – Discounts/Allowances	(28,219,712.46)
Auxiliary Enterprise – Pledged	23,914,230.08
Other Sales of Goods and Svcs – Pledged	200,426.59
Federal Revenue	2,958,230.31
Federal Pass Through Revenue	4,774,194.51
State Grant Revenue	162,770.75
State Grant Pass Through Revenue	6,307,619.04
Other Contract and Grants – Non-Pledged	838,046.07
Other Operating Revenues – Pledged	1,676,260.26
<b>Total Operating Revenues</b>	<b>\$ 136,712,747.21</b>
<b>Operating Expenses:</b>	
Instruction	\$ 67,831,107.86
Research	3,007,296.53
Public Service	1,760,463.94
Academic Support	33,036,524.77
Student Services	9,040,231.02
Institutional Support	23,163,456.84
Operation and Maintenance of Plant	13,808,686.67
Scholarships and Fellowships	19,040,702.96
Auxiliary	30,923,540.42
Depreciation & Amortization	8,596,139.81
<b>Total Operating Expenses</b>	<b>\$ 210,208,150.82</b>
<b>Operating Income (Loss)</b>	<b>\$ (73,495,403.61)</b>

**Texas State University System  
Lamar University  
Statement of Revenues, Expenses, and Changes in Net Position  
For the Year Ended August 31, 2017**

	<u>Total</u>
<b>Nonoperating (Revenues) Expenses:</b>	
Legislative Revenue (GR)	\$ 49,063,811.00
Additional Appropriations (GR)	15,097,671.14
Federal Revenue	16,400,210.37
Gifts – Non-Pledged	8,511,926.67
Investment Income – Non-Pledged	914,952.35
Investment Income – Pledged	877,816.58
Gain/Loss Sale Capital Assets	(1,147.15)
Net (Increase) Decrease Fair Value – Pledged	(111,811.71)
Net (Increase) Decrease Fair Value – Non-Pledged	921,856.55
Other Nonoperating Expenses	(2,637,866.55)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>\$ 89,037,419.25</b>
<b>Income (Loss) before Capital Contributions, Endowments and Transfers</b>	<b>\$ 15,542,015.64</b>
<b>Capital Contributions, Endowments and Transfers</b>	
Capital Appropriations (HEAF)	\$ 14,101,882.00
Transfers-In (Note 12)	85,130,454.00
Transfers-Out (Note 12)	(13,143,801.51)
Legislative Transfer-In (Note 12)	4,866,690.00
Legislative Transfer-Out (Note 12)	(7,097,856.00)
Legislative Appropriations Lapsed	(431.80)
<b>Total Capital Contributions, Endowments and Transfers</b>	<b>\$ 83,856,936.69</b>
<b>Change in Net Position</b>	<b>99,398,952.33</b>
Total Net Position, September 1, 2016	277,222,026.80
Restatements (Note 14)	41,853.50
Total Net Position, September 1, 2016, as Restated	277,263,880.30
<b>Total Net Position, August 31, 2017</b>	<b>\$ 376,662,832.63</b>

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UNAUDITED  
Lamar University (734)

Texas State University System  
Lamar University  
Matrix of Operating Expenses Reported by Function  
For the Year Ended August 31, 2017

Operating Expenses	Instruction	Research	Public Service	Academic Support	Student Services	Institutional Support	Operation and Maintenance of Plant	Scholarship and Fellowships	Auxiliary Enterprises	Depreciation and Amortization*	Total Expenses
Cost of Goods Sold	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries and Wages	50,029,947.82	1,430,829.64	950,702.89	10,248,698.17	5,631,728.45	12,547,886.39	6,458,821.15		8,886,335.72		96,184,950.23
Payroll Related Costs	15,064,885.36	152,582.41	238,507.48	2,369,920.20	1,793,887.70	4,145,447.54	2,399,956.40		2,085,636.29		28,250,823.38
Professional Fees and Services	329,515.05	11,440.04	371,720.59	14,165,929.85	739,802.32	1,544,234.80	535,649.14		982,756.28		18,681,048.07
Federal Grant Pass-Through Expense											-
State Grant Pass-Through Expense		430,009.16									430,009.16
Travel	696,155.13	172,170.15	19,508.29	1,026,850.70	154,617.83	240,659.64	13,274.14		1,825,673.89		4,148,909.77
Materials and Supplies	1,016,982.45	371,365.19	98,332.94	2,701,505.61	337,288.18	3,230,349.10	1,055,726.58		6,089,289.48		14,900,839.53
Communications and Utilities	8,846.45	-	24,748.38	10,613.72	2,085.81	338,747.40	1,910,440.37		1,467,229.67		3,762,711.80
Repairs and Maintenance	102,643.01	86,974.91	14,104.02	143,934.78	21,858.10	696,109.94	1,191,518.65		1,707,895.47		3,965,038.88
Rentals and Leases	89,794.44	2,428.71	12,928.49	54,694.94	23,732.13	124,496.90	2,635.61		210,898.81		521,610.03
Printing and Reproduction	49,007.75	6,413.23	9,733.82	65,059.23	121,934.10	114,298.85	1,535.46		104,530.05		472,512.49
Depreciation and Amortization*										8,596,139.81	8,596,139.81
Bad Debt Expense											-
Interest											-
Scholarships								19,040,702.96	5,919,358.48		24,960,061.44
Claims and Judgments											-
Other Operating Expenses	443,330.40	343,083.09	20,177.04	2,249,317.57	213,296.40	181,226.28	239,129.17		1,643,936.28		5,333,496.23
<b>Total Operating Expenses</b>	<b>\$ 67,831,107.86</b>	<b>\$ 3,007,296.53</b>	<b>\$ 1,760,463.94</b>	<b>\$ 33,036,524.77</b>	<b>\$ 9,040,231.02</b>	<b>\$ 23,163,456.84</b>	<b>\$ 13,808,686.67</b>	<b>\$ 19,040,702.96</b>	<b>\$ 30,923,540.42</b>	<b>\$ 8,596,139.81</b>	<b>\$ 210,208,150.82</b>

\* Depreciation and Amortization may be allocated to the various functions or shown entirely in the Depreciation and Amortization column

**Texas State University System  
Lamar University  
Statement of Cash Flows  
For the Year Ended August 31, 2017**

	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from Customers	\$ 200,426.59
Proceeds from Tuition and Fees	89,785,930.82
Proceeds from Research Grants and Contracts	15,870,393.48
Proceeds from Auxiliaries	23,914,230.08
Proceeds from Other Operating Revenues	1,676,260.26
Payments to Suppliers for Goods and Services	(47,892,481.52)
Payments to Employees for Salaries	(96,695,963.45)
Payments to Employees for Benefits	(16,557,602.11)
Payments for Other Operating Expenses	(30,293,557.67)
<b>Net Cash Provided by Operating Activities</b>	<b>\$ (59,992,363.52)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Proceeds from State Appropriations	\$ 61,011,989.43
Proceeds from Gifts	9,363,293.15
Proceeds from Grant Receipts	16,400,210.37
Payments for Other Noncapital Financing Uses	(4,067,951.20)
<b>Net Cash Provided by Noncapital Financing Activities</b>	<b>\$ 82,707,541.75</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Proceeds from Debt Issuance	\$ 85,000,000.00
Payments for Additions to Capital Assets	(34,875,340.57)
Payments of Principal on Debt	(13,634,439.62)
Payments for Capital Leases	(969,286.61)
Payments of Interest on Debt Issuance	(4,164,608.56)
<b>Net Cash Provided by Capital and Related Financing Activities</b>	<b>\$ 31,356,324.64</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from Interest Income	\$ 1,728,143.00
Payments to Acquire Investments	(8,626,516.16)
<b>Net Cash Provided by Investing Activities</b>	<b>\$ (6,898,373.16)</b>
Net Increase (Decrease) in Cash and Cash Equivalents	47,173,129.71
Cash and Cash Equivalents, September 1, 2016	67,173,394.79
<b>Cash and Cash Equivalents, September 1, 2016- Restated</b>	<b>\$ 67,173,394.79</b>
<b>Cash and Cash Equivalents, August 31, 2017</b>	<b>\$ 114,346,524.50</b>

**Texas State University System  
Lamar University  
Statement of Cash Flows  
For the Year Ended August 31, 2017**

**Total**

**RECONCILIATION OF OPERATING INCOME TO  
NET CASH PROVIDED BY OPERATING ACTIVITIES**

Operating Income (Loss)	\$ (73,495,403.61)
Amortization and Depreciation	8,596,139.81
Benefits Paid on our Behalf	11,180,001.03
(Increase) Decrease in Receivables	(4,344,865.98)
(Increase) Decrease in Inventories	(31,913.95)
(Increase) Decrease in Prepaid Expenses	(3,723,212.37)
(Increase) Decrease in Notes Receivable	(291,234.38)
Increase (Decrease) in Payables	2,236,185.22
Increase (Decrease) in Unearned Revenue	(631,279.53)
Increase (Decrease) in Compensated Absence Liability	513,220.24
Total Adjustments	<u>13,503,040.09</u>
<b>Net Cash Provided by Operating Activities</b>	<b><u><u>\$ (59,992,363.52)</u></u></b>
<b>Non Cash Transactions</b>	
Donation of Capital Assets	248,633.52
Net Change in Fair Value of Investments	810,044.84

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## Notes to the Basic Financial Statements

# HARVEY *Heroes*

Notes to the Basic Financial Statements



More than 500 students stayed in the LU residence halls throughout the storm. The City of Beaumont lost its water supply, and drinking water as well as bathroom facilities became an issue. Having it rain for so many days, LU students had time on their hands. Some of the local students had already started to volunteer with their church or community groups.

So was born...**HARVEY HEROES**

### The Numbers

- 294 student volunteers initially signed up
- 112 student volunteers who completed at least 40 hours

### Volunteer Areas

- Salvation Army and Red Cross—distribution and shelter
- Humane Society—rescue animals
- Habitat for Humanity, local churches and homes—pulling up carpet and cutting sheetrock
- Schools—distribution and shelter
- SETX Food Bank, Red Cross, Meals on Wheels and HEB—food and water distribution



Lamar University students completed **more than 5,000 hours** of volunteer work through Harvey Heroes.



**LAMAR UNIVERSITY**

MEMBER THE TEXAS STATE UNIVERSITY SYSTEM™

**LAMAR UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended August 31, 2017**

**NOTE 1: Summary of Significant Accounting Policies**

**Entity**

Lamar University is considered an Institution of Higher Education of the State of Texas, and its financial records comply with state statutes and regulations. This includes compliance with the Texas Comptroller of Public Accounts' *Reporting Requirements for Annual Financial Reports of State Agencies and Universities*.

Due to the statewide requirements embedded in Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Government*, the Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all the requirements in this statement. The financial report is considered for audit by the state auditor as part of the audit of the State of Texas Comprehensive Annual Financial Report (CAFR); therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

**Fund Structure**

The accompanying financial statements are presented on the basis of funds. A fund is considered a separate accounting entity. The fund designation for institutions of higher education is a Business Type Activity within the Proprietary Fund Type.

**Proprietary Funds**

Business Type Activity

Business type funds are used for activities that are financed through the charging of fees and sales for goods or services to the ultimate user. Institutions of higher education are required to report their financial activities as business type; because, the predominance of their funding comes through charges to students, sales of goods and services and grant revenues.

## **Component Units**

The fund types of the individual discrete component units are available from the component units' separately issued financial statements. Additional information about component units can be found in Note 19.

## **Basis of Accounting**

The basis of accounting determines when revenues and expenditures or expenses are recognized in the accounts reported in the financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

Business activity type funds (proprietary funds) are accounted for using the full accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. Proprietary funds distinguish operating from non-operating items. Operating revenues and expenses result from providing services or producing and delivering goods in connection with the proprietary funds' principal ongoing operations. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets.

## **Budget and Budgetary Accounting**

The budget is prepared biennially and represents appropriations authorized by the Legislature and approved by the Governor (the General Appropriations Act).

Unencumbered appropriations are generally subject to lapse 60 days after the end of the fiscal year for which they were appropriated.

## **Assets, Liabilities, and Fund Balances/Net Position**

### **ASSETS**

#### **Cash and Cash Equivalents**

Short-term highly liquid investments with an original maturity of three months or less are considered cash equivalents.

#### **Securities Lending Collateral**

Investments are generally stated at fair value with certain exceptions in accordance with **GASB Statement No. 72 Fair Value Measurement and Application**. Invested security lending collaterals are measured at fair value. Securities lent are reported as assets on the balance sheet.

The costs of securities lending transactions are reported as expenditures or expenses in the operating statement. These costs are reported at gross.

### **Restricted Assets**

Restricted assets include monies or other resources restricted by legal or contractual requirements. These assets include proceeds of enterprise fund general obligation and revenue bonds and revenues set aside for statutory or contractual requirements. Assets held in reserve for guaranteed student loan defaults are also included.

### **Inventories and Prepaid Items**

Inventories include both merchandise inventories on hand for sale and consumable inventories. Inventories are valued at cost, generally utilizing the last-in, first-out method. The consumption method of accounting is used to account for inventories and prepaid items that appear in the proprietary fund types. The cost of these items is expensed when the items are used or consumed.

### **Capital Assets**

Assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year should be capitalized. These assets are capitalized at cost or, if not purchased, at appraised fair value as of the date of acquisition. Depreciation is reported on all “exhaustible” assets. “Inexhaustible” assets such as works of art and historical treasures are not depreciated. Road and highway infrastructure is depreciated over the estimate of average useful life of a grouping of assets using composite method. Other depreciable assets are depreciated over the estimated useful life of the asset using the straight-line method.

All capital assets acquired by proprietary funds or trust funds are reported at cost or estimated historical cost if actual historical cost is not available. Donated capital assets are reported at acquisition value. Depreciation is charged to operations over the estimated useful life of each asset using the straight-line method.

### **Other Receivables – Current and Noncurrent**

The disaggregation of other receivables as reported in the financial statements is shown in Note 24, “Disaggregation of Receivables and Payables Balances.” Other receivables include year-end accruals not included in any other receivable category. This account can appear in governmental and proprietary fund types.



## **LIABILITIES**

### **Accounts Payable**

Accounts Payable represents the liability for the value of assets or services received at the balance sheet date for which payment is pending.

### **Other Payables – Current and Noncurrent**

Other payables are the accrual at year-end of expenditure transactions not included in any of the other payable descriptions. The disaggregation of other payables as reported in the financial statements is shown in Note 24, “Disaggregation of Receivables and Payables Balances.”

### **Employees’ Compensable Leave Balances**

Employees’ Compensable Leave Balances represent the liability that becomes “due” upon the occurrence of relevant events such as resignations, retirements, and uses of leave balances by covered employees. Liabilities are reported separately as either current or noncurrent in the statement of net position. These obligations are normally paid from the same funding source from which each employee’s salary or wage compensation was paid.

### **Capital Lease Obligations**

Capital lease obligations represent the liability for future lease payments under capital lease contracts contingent upon the appropriation of funding by the Legislature. Liabilities are reported separately as either current or noncurrent in the statement of net position.

### **Bonds Payable-General Obligation Bonds**

General obligation bonds are accounted for in the long-term liabilities adjustment column for governmental activities and in proprietary funds for business-type activities. These payables are reported as long-term liabilities (current for amounts due within one year) and long-term liabilities (noncurrent for amounts due thereafter in the statement of net position/balance sheet). The bonds are reported at par, net of unamortized premiums, discounts, issuance costs and gains/(losses) on bond refunding activities.

For governmental activities, bond proceeds are accounted for (when received) as an “other financing source” in the governmental fund receiving the proceeds. Payment of principal and interest is an expenditure recorded in the debt service fund. All bond transactions and balances for business-type activities are reported in proprietary funds.

## **Bonds Payable-Revenue Bonds**

Revenue bonds are accounted for in proprietary funds for business-type activities and in the long-term liabilities adjustment column for governmental activities. These payables are reported as long-term liabilities (current for amounts due within one year) and long-term liabilities (noncurrent for amounts due thereafter) in the statement of net position/balance sheet. The bonds payable are reported at par, net of unamortized premiums, discounts, issuance costs and gains/(losses) on bond refunding activities.

For governmental activities, bond proceeds are accounted for when received as an “other financing source” in the governmental fund receiving the proceeds. Payment of principal and interest is an expenditure recorded in the debt service fund. All bond transactions and balances for business-type activities are reported in proprietary funds.

## **FUND BALANCE/NET POSITION**

“Fund balance” is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources on the governmental fund statements. “Net position” is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources on the government-wide, proprietary and fiduciary fund statements.

When both restricted and unrestricted resources are available for use, it is the university’s policy to use unrestricted resources first, then restricted when they are needed. When only unrestricted resources are available for use, it is the university’s policy to use committed resources first, then assigned resources and unassigned resources last.

## Fund Balance Components

Fund balances for governmental funds are classified as nonspendable, restricted, committed, assigned or unassigned in the fund financial statements.

- **Nonspendable fund balance** includes amounts not available to be spent because they are either:
  - Not in spendable form
  - Legally or contractually required to be maintained intact.
- **Restricted fund balance** includes those resources that have constraints placed on their use through external parties — such as creditors, grantors, contributors, laws or regulations of other governments — or by law through constitutional provisions or enabling legislation.
- **Committed fund balance** can be used only for specific purposes pursuant to constraints imposed through legislation passed into law by a formal action of the Texas Legislature, the state's highest level of decision making authority.
- **Assigned fund balance** includes amounts constrained by the state's intent to be used for specific purposes, but the constraints do not meet the requirements to be reported as restricted or committed. Intent is expressed by either:
  - The Texas Legislature
  - A body (for example, a budget or finance committee) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.
- **Unassigned fund balance** is the residual classification for the general fund. This classification represents fund balance that was not assigned to other funds and was not restricted, committed or assigned to specific purposes within the general fund.

## Net Investment in Capital Assets

Net investment in capital assets, consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bond, notes, and other debt that are attributed to the acquisition, construction or improvement of those assets.

## Restricted Net Position

Restricted net position results when constraints placed on net resources use are either externally imposed by creditors, grantors, contributors, and the like or imposed by law through constitutional provisions or enabling legislation.

## Unrestricted Net Position

Unrestricted net position consist of net resources that do not meet the definition of the two *preceding* categories. Unrestricted net position often has constraints on resources that are imposed by management but can be removed or modified.

## **INTERFUND ACTIVITIES AND TRANSACTIONS**

Lamar University has the following types of transactions between funds:

- (1) **Transfers:** Legally required transfers that are reported when incurred as “Transfers In” by the recipient fund and as “Transfers Out” by the disbursing fund.
- (2) **Reimbursements:** Reimbursements are repayments from funds responsible for expenditures or expenses to funds that made the actual payment. Reimbursements of expenditures made by one fund for another that are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund. Reimbursements are not displayed in the financial statements.
- (3) **Interfund receivables and payables:** Interfund loans are reported as interfund receivables and payables. If repayment is due during the current year or soon thereafter, the balance is classified as “current.” Balances for repayment due in two (or more) years are classified as “noncurrent.”
- (4) **Interfund Sales and Purchases:** Charges or collections for services rendered by one fund to another that are recorded as revenues of the recipient fund (interfund services provided) and expenditures or expenses of the disbursing fund (interfund services used). The composition of Lamar University’s interfund activities and transactions are presented in Note 12.

**NOTE 2: Capital Assets**

Revenue Received from the sale of surplus property has been transferred to unappropriated general revenue in accordance with HB7, Sec. 20.

A summary of changes in Capital Assets for the year ended August 31, 2017 is presented below:

	PRIMARY GOVERNMENT						Balance 08/31/17
	Balance 09/01/16	Adjustments	Completed CIP	Transfers Inc/(Decrease)	Additions	Deletions	
<b>BUSINESS-TYPE ACTIVITIES</b>							
Non-Depreciable Assets							
Land and Land Improvements	11,583,119.49	1.00	-	-	158,976.46	-	11,742,096.95
Library books/Leaseholds	-	-	-	-	-	-	-
Construction in Progress	28,682,412.29	3,798.02	(3,688,275.94)	-	31,453,062.01	-	56,450,996.38
Other Assets	2,304,572.99	-	-	-	387,267.71	-	2,691,840.70
<b>Total Non-Depreciable Assets</b>	<b>42,570,104.77</b>	<b>3,799.02</b>	<b>(3,688,275.94)</b>	<b>-</b>	<b>31,999,306.18</b>	<b>-</b>	<b>70,884,934.03</b>
Depreciable Assets							
Buildings and Building Improvements	251,680,701.52	-	615,327.66	-	-	-	252,296,029.18
Infrastructure	17,106,486.90	-	1,331,301.64	-	-	-	18,437,788.54
Facilities & Other Improvements	23,352,478.93	-	1,741,646.64	-	-	-	25,094,125.57
Furniture and Equipment	24,698,006.57	96,143.27	-	(7,124.00)	3,004,388.85	(219,195.31)	27,572,219.38
Vehicle, Boats & Aircraft	1,666,407.40	-	-	-	104,331.90	(20,336.00)	1,750,403.30
Library books/Leaseholds	22,809,426.92	-	-	-	16,697.16	(915.00)	22,825,209.08
<b>Total Depreciable Assets at Historical</b>	<b>341,313,508.24</b>	<b>96,143.27</b>	<b>3,688,275.94</b>	<b>(7,124.00)</b>	<b>3,125,417.91</b>	<b>(240,446.31)</b>	<b>347,975,775.05</b>
Less Accumulated Depreciation for:							
Buildings and Improvements	(130,246,743.24)	-	-	-	(5,013,051.40)	-	(135,259,794.64)
Infrastructure	(12,703,533.19)	-	-	-	(438,554.33)	-	(13,142,087.52)
Facilities & Other Improvements	(12,602,882.45)	-	-	-	(607,386.56)	-	(13,210,269.01)
Furniture and Equipment	(18,547,999.83)	(57,173.79)	-	6,134.28	(2,005,563.27)	218,048.16	(20,386,554.45)
Vehicles, Boats & Aircraft	(1,174,386.79)	-	-	-	(147,703.80)	20,336.00	(1,301,754.59)
Library books/Leaseholds	(20,558,690.93)	(915.00)	-	-	(383,880.45)	915.00	(20,942,571.38)
<b>Total Accumulated Depreciation</b>	<b>(195,834,236.43)</b>	<b>(58,088.79)</b>	<b>-</b>	<b>6,134.28</b>	<b>(8,596,139.81)</b>	<b>239,299.16</b>	<b>(204,243,031.59)</b>
<b>Depreciable Assets, Net</b>	<b>145,479,271.81</b>	<b>38,054.48</b>	<b>3,688,275.94</b>	<b>(989.72)</b>	<b>(5,470,721.90)</b>	<b>(1,147.15)</b>	<b>143,732,743.46</b>
<b>Business Type-Activities Capital</b>	<b>188,049,376.58</b>	<b>41,853.50</b>	<b>-</b>	<b>(989.72)</b>	<b>26,528,584.28</b>	<b>(1,147.15)</b>	<b>214,617,677.49</b>

**NOTE 3: Deposits, Investments, and Repurchase Agreements**

Lamar University is authorized to invest in obligations and instruments as defined in the Public Funds Investment Act (Sec. 2256. 001 Texas Government Code). Endowment Funds may be invested in accordance with the Uniform Management of Institutional Funds Act, Property Code Chapter 163. Such investments include (1) obligations of the United States or its agencies, (2) direct obligations of the State of Texas or its agencies, (3) obligations of political subdivisions rated not less than A by a national investment rating firm, (4) certificates of deposit, and (5) other instruments and obligations authorized by statute.

Lamar University is authorized by statute to make investments following the “prudent person rule.” There were no significant violations of legal provisions during the period.

**Deposits**

As of 08/31/17, the actual bank balance was \$33,377,997.41. The carrying balance was \$33,209,492.29 as presented below.

**Governmental and Business-Type Activities**

CASH IN BANK - CARRYING VALUE	<u>\$33,209,492.29</u>
Proprietary Funds Current Assets Cash in Bank	\$13,954,202.71
Proprietary Funds Current Assets Restricted Cash in Bank	10,165,578.31
Proprietary Funds Non-Current Restricted Cash in Bank	<u>9,089,711.27</u>
Cash in Bank per AFR	<u>\$33,209,492.29</u>

These amounts consist of all cash in local banks and a portion of short-term investments. These amounts are included on the combined statement of net position as part of the “cash and cash equivalents” and “securities lending collateral” accounts.

## Investments

As of 08/31/17, the fair value of investments were:

Type of Investments	Fair Value Hierarchy				Net Asset Value	(Fair Value)
	Level 1	Level 2	Level 3	Amort. Cost		
Common Equity	\$ 1,918,346.27					\$ 1,918,346.27
Fixed income money market and bond mutual fund	\$ 34,691,921.40					\$ 34,691,921.40
Domestic Equity Commingled Funds		\$ 9,503,550.94				\$ 9,503,550.94
International Equity Commingled Funds		\$ 9,363,639.62				\$ 9,363,639.62
Other Comingled Funds		\$ 4,560,273.73				\$ 4,560,273.73
Other Comingled Funds (Texpool)					\$ 77,845,113.91	\$ 77,845,113.91
<b>Total Investments</b>	<b>\$ 36,610,267.67</b>	<b>\$ 23,427,464.29</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 77,845,113.91</b>	<b>\$ 137,882,845.87</b>

Reconciliation of Investments	(Fair Value)
Current assets – cash equivalents	\$6,833,079.97
Non-current assets investments	\$30,223,939.46
Current assets restricted – cash equivalents	\$71,198,116.54
Non-current restricted assets investments	<u>\$29,627,709.90</u>
<b>Totals</b>	<b><u>\$137,882,845.87</u></b>

## Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The university's investment policy requires that investments in debt securities be rated in the top three investment grade ratings (Standard & Poor's AAA to A or comparable ratings with other agencies for operating funds and BBB and above for endowments) at the time of purchase. Two nationally recognized statistical rating organizations must rate the security. Risk is further limited through the Investment Policy by term limitations, and maximum single purchase and maximum aggregate position percentages. As of 08/31/17, the university's credit quality distribution for securities with credit risk exposure was:

FUND TYPE	INVESTMENT NAME	AAA	AA	A	UNRATED
05	Fixed income money market and bond mutual fund				\$34,691,921.40

**NOTE 4: Short Term Debt**

Lamar University has no short term debt as of August 31, 2017.

**NOTE 5: Long Term Liabilities**

**Changes in Long-term Liabilities**

During the year ended August 31, 2017, the following changes occurred in long-term liabilities:

<b>Business Type Activities</b>	<b>Balance 09/01/16</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance 08/31/17</b>	<b>Due Within One Year</b>
Deposit Payable	\$466,687.76	\$349,983.14	\$348,109.23	\$468,561.67	\$162,598.00
Employees' Compensable Leave	3,378,218.26	2,442,870.31	1,929,650.07	3,891,438.50	583,715.78
<b>Total Long-Term Liabilities</b>	<b>\$3,844,906.02</b>	<b>\$2,792,853.45</b>	<b>\$2,277,759.30</b>	<b>\$4,360,000.17</b>	<b>\$746,313.78</b>

**Employees' Compensable Leave**

See Note 1 for discussion of Employees' Compensable Leave.

**Bonds Payable**

See Note 6 for a discussion of Bonds Payable.



**NOTE 6: Bonded Indebtedness**

All bonded indebtedness for Lamar University is issued by System Administration through the Texas State University System Revenue Financing System. System Administration and each component institution within the system are members of the Revenue Financing System. The Board of Regents pledged all of the funds (revenues) and balances derived or attributable to any member of the Revenue Financing System that are lawfully available to the Board for payments on Parity Debt.

System Administration issued the debt; therefore, the bonds payable attributable to the institution are included with the Bonds Payable reported by System Administration. The institution must repay the debt that was issued on its behalf; consequently, the following debt amortization schedule is presented for informational purposes only.

**DEBT SERVICE REQUIREMENTS ATTRIBUTABLE  
TO LAMAR UNIVERSITY**

Description	Year	Principal	Interest	Total
All Series	2018	10,107,189.70	7,055,817.56	17,163,007.26
	2019	10,008,370.12	6,638,450.58	16,646,820.70
	2020	10,336,553.80	6,217,400.22	16,553,954.02
	2021-2025	54,550,676.69	24,126,288.50	78,676,965.19
	2026-2030	50,615,000.00	11,984,185.68	62,599,185.68
	2031-2035	23,400,000.00	2,659,179.50	26,059,179.50
	2036-2040	2,065,000.00	83,880.30	2,148,880.30
	2041-2045	-	-	-
	Totals	161,082,790.31	58,765,202.34	219,847,992.65

A portion of the debt represents Tuition Revenue Bonds historically funded by the Texas Legislature through General Revenue Appropriations. The institution was appropriated \$7,097,856 during the current fiscal year for Tuition Revenue Bond debt service. The institution expects future Legislative appropriations to meet debt service requirements for Tuition Revenue Bonds.

**NOTE 7: Derivative Instruments**

Lamar University has no derivative instruments as of August 31, 2017.

**NOTE 8: Leases**

**Operating Leases**

Included in the expenditures reported in the financial statements are the following amounts of rent paid or due under operating lease obligations:

Fund Type	Amount
Designated	31,500.00
Auxiliary	14,917.44
	<b>\$46,417.44</b>

Future minimum lease rental payments under non-cancellable operating leases having an initial term in excess of one year are as follows:

Fiscal Year Ended August 31	Amount
2018	35,914.44
2019	14,917.44
2020	14,917.44
2021	3,729.36
2022	0.00
<b>Total Minimum Future Lease Rental Payments</b>	<b>\$ 69,481.68</b>

**Capital Leases**

Lamar University has no capital leases as of August 31, 2017.

**NOTE 9: Pension Plans**

The state established an optional retirement program for institutions of higher education. Participation in ORP is in lieu of participation in the Teacher Retirement System and is available to certain eligible employees. The contributions made by plan members and employers for the fiscal year ended 08/31/17 are:

	Year Ended August 31, 2017
Member Contributions	\$ 2,135,993.00
Employer Contributions	2,333,416.00
Total	<b>\$ 4,469,409.00</b>

**NOTE 10: Deferred Compensation**

State employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in the TEX. GOV'T. CODE ANN., Sec. 609.001. Two plans are available for employees' participation. Both plans are administered by the Employees Retirement System.

The State also administers another plan: "TexaSaver" created in accordance with Internal Revenue Code Sec. 401 (k). The assets of this plan do not belong to the State. The State has no liability related to this plan.

**NOTE 11: Post Employment Health Care and Life Insurance Benefits**

Not Applicable.

**NOTE 12: Interfund Activity and Transactions**

As explained in Note 1 on Interfund Activity and Transactions are numerous transactions between funds and agencies. At year-end, amounts to be received or paid are reported as:

- Interfund Receivables or Interfund Payables
- Due From Other Agencies or Due to Other Agencies
- Due From Other Funds or Due to Other Funds
- Transfers In or Transfers Out
- Legislative Transfers In or Legislative Transfers Out

Lamar University experienced routine transfers with other state agencies that were consistent with the activities of the fund making the transfer. Repayment of interfund balances will occur within one year from the date of the financial statement.

Individual balances and activity as of August 31, 2017, follows:

	Due from other Agencies	Due To Other Agencies	Source
Agency 789, D23, Fund 7999	1,420,708.84		Local Funds
Agency 788, D23, Fund 7999	68,234.36		Local Funds
Agency 608, D23, Fund 802	618.92		General Revenue
Agency 721, D23, Fund 7999	5,218.62		Local Funds
Agency 556, D23, Fund 7999		31.44	General Revenue
Agency 712, D23, Fund 7999		14,930.30	General Revenue
Agency 721, D23, Fund 7999		36,552.04	General Revenue
Agency 789, D23, Fund 7999		182,029.91	Local Funds
Agency 758, D23, Fund 7999		2,567.65	Loan Funds
Agency 758, D23, Fund 7999		7,558,769.25	Endowment Funds
Agency 788, D23, Fund 7999		1,700.00	Local Funds
<b>Total Due From/To Other Agencies (Exh. A)</b>	<b>1,494,780.74</b>	<b>7,796,580.59</b>	

	Legislative	Legislative	Source
	TRANSFER IN	TRANSFER OUT	
Agency 758, D23, Fund 0001		7,097,856.00	General Revenue. TRB
Agency 403, D23, Fund 0001	225,948.00		GR-Hazelwood
Agency 781, D23, Fund 0001	4,640,742.00		HB 100 portion-TRB
<b>Total Legislative Transfers</b>	<b>4,866,690.00</b>	<b>7,097,856.00</b>	

	TRANSFER IN	TRANSFER OUT	Source
Agency 902, D23, Fund 0210	130,454.00		General Revenue
Agency 758, D23, Fund 7999	85,000,000.00		Bond Proceeds
Agency 347, D23, Fund 0001		969,286.61	General Revenue
Agency 758, D23, Fund 7999		1,472,333.00	Designated Funds
Agency 758, D23, Fund 7999		214,768.63	Designated Funds
Agency 758, D23, Fund 7999		10,486,423.55	Auxiliary Funds
Agency 789, D23, Fund 7999		989.72	Investment in Plant
<b>Total Transfers</b>	<b>85,130,454.00</b>	<b>13,143,801.51</b>	

**NOTE 13: Continuance Subject to Review**

Lamar University is not subject to a review of continuance.

**NOTE 14: Adjustments to Fund Balances and Net Position**

Lamar University has adjustments to the beginning Fund Balances and Net Position in the amount of \$41,853.50 due to adjustments in capital assets.

**NOTE 15: Contingent Liabilities**

As of August 31, 2017, various lawsuits and claims involving Lamar University were pending. While the ultimate liability with respect to litigation and other claims asserted against the University or the Board of Regents cannot be reasonably estimated at this time, such liability, to the extent not provided for by insurance or otherwise, is not likely to have a material effect on the University.

During the fiscal year August 31, 2017, there were two (2) lawsuits and claims involving Lamar University. At August 31, 2017, one (1) lawsuits and claims involving Lamar University were pending.

**NOTE 16: Subsequent Events**

Lamar University has no subsequent events to report as of August 31, 2017.

**NOTE 17: Risk Management**

Lamar University is exposed to a variety of civil claims resulting from the performance of its duties. It is university policy to periodically assess the proper combination of commercial insurance and retention of risk to cover losses to which it may be exposed.

The University assumes substantially all risks associated with tort and liability claims due to the performance of its duties. Currently there is no purchase of commercial insurance, nor is the University involved in any risk pool with other government entities for these risks. Lamar University incurred no losses during the fiscal year ended August 31, 2017 and no claims were pending at that date.

The University is required by certain bond covenants and FEMA to carry Fire and Extended Coverage and Boiler insurance on buildings financed through the issuance of bonds using pledged Auxiliary Enterprise or other non-Educational and General Funds. The insurance protects the bond holders from a disruption to the revenue stream that is being utilized to make the bond interest and principal payments and the federal government for storm damage.

The Texas Motor Vehicle Safety Responsibility Act requires that every non-governmental vehicle operated on a state highway be insured for minimum liability in the amount of \$20,000/\$40,000 bodily injury and \$15,000 property damage. However, the University has chosen to carry liability insurance on its licensed vehicles in the amount of \$1,000,000 combined single liability. The coverage exceeds the extent of the waivers of state immunity specified in the tort claims act.

**NOTE 18: Management Discussion and Analysis**

Management Discussion and Analysis is a required part of the basic financial statements. Management Discussion and Analysis is omitted because Lamar University is reported in a consolidated format with Texas State University System which is reported as a component of the State of Texas. Management Discussion and Analysis as it relates to Texas State University System can be found in the State of Texas basic financial statements.

**NOTE 19: The Financial Reporting Entity**

The Lamar University Foundation is a nonprofit organization with the sole purpose of supporting educational activities of Lamar University. The Foundation solicits donations and acts as a coordinator of gifts made by other parties. The Foundation remitted restricted gifts of \$2,684,211.15 to the University during the year ended August 31, 2017. During the fiscal year the University furnished certain services, such as office space and utilities, to the Foundation, for which the Foundation was billed at cost, \$254,198.21. Accounts receivables of \$850,101.03 are due from the Foundation at August 31, 2017.

**NOTE 20: Stewardship, Compliance and Accountability**

Not used.

**NOTE 21: No reference of Note 21 on FMX website**

Not used.

**NOTE 22: Donor-Restricted Endowments**

Net appreciation of \$4,052,791.70 related to true endowments were classified as restricted, for expendable on the Statement of Net Position. The net appreciation included a positive fair value adjustment totaling \$1,211,047.81 for fiscal year 2017.

Distributions are calculated using the ending fair market value at August 31<sup>st</sup> multiplied times an authorized distribution rate. The authorized distribution rate for the fiscal year 2017 was 4%. The individual endowments own units in a restricted investment pool and the annual distributions are allocated on a per unit basis.

Changes from Prior Year Balances

True Endowment Funds	2017 Increase/(Decrease)	Reason for Change
Expendable Balances	\$921,856.55	Fair value fluctuations, earnings, fees and distributions.
Non-expendable Balances	\$1,360,657.70	New gifts

The balances, or transactions, of funds held in trust by others on behalf of Lamar University are not reflected in the financial statements. At August 31, 2017, there was one such fund for the benefit of the University. Based upon the most recent available information, the assets of this fund as reported by the Trustees are valued at \$5,690,612.13.

**NOTE 23: Special or Extraordinary Items**

Not used.

**NOTE 24: Disaggregation of Receivable and Payable Balances**

Current Receivables and Other Current Liabilities as of August 31, 2017 are comprised of the following:

**Federal Receivables**

Instruction	\$ 189,089.94
Research	135,018.46
Public Service	297,408.16
Academic Support	
Scholarship	142,422.68
Loans	467,696.00
Institutional Support	0.00
Construction	112,843.43
<b>TOTAL FEDERAL RECEIVABLES</b>	<b>\$1,344,478.67</b>

**Other Receivables**

Auxiliary Enterprises	
Loan	
Pledges Receivables (Restricted)	
Endowment and Similar Funds	
<b>TOTAL OTHER RECEIVABLES</b>	

**Other Payable**

<b>TOTAL OTHER PAYABLES</b>	<b>\$ 0.00</b>
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**NOTE 25: Termination Benefits**

Lamar University has no termination benefits to report as of August 31, 2017.

**NOTE 26: Segment Information**

Lamar University has no segments to report as of August 31, 2017.

**NOTE 27: Service Concession Arrangements**

Lamar University has no service concession arrangements to report as of August 31, 2017.

**NOTE 28: Deferred Outflows of Resources and Deferred Inflows of Resources**

Lamar University has no deferred outflows or inflows of resources to report as of August 31, 2017.

**NOTE 29: Trouble Debt Restructuring**

Lamar University has no trouble debt restructuring to report as of August 31, 2017.

**NOTE 30: Non-Exchange Financial Guarantees**

Lamar University has no non-exchange financial guarantees to report as of August 31, 2017.

**NOTE 31: Tax Abatements**

Lamar University has no tax abatements to report as of August 31, 2017.

**NOTE 32: Fund Balances**

Lamar University classifies all governmental fund balances by the default fund type.

## Supplemental Support Information

Supplemental Support Information



### Impact on Faculty, Staff and Students

Like millions of other Texans, Lamar University students faced mandatory evacuation, loss of electricity, non-potable water, recovery costs and the loss of personal possessions.

After the storm, faculty and staff members and administrators responded swiftly to accommodate students:

- creating three additional fall semesters, or “Harvey Sessions,” with later start dates to give time for students to recover from the storm
- extending registration for fall
- waiving late registration fees
- implementing a revised academic calendar

Lamar University delayed the start of the Fall 2017 semester to Sept. 5 by initiating all courses online until they could transition back to campus. Although overall numbers will be down slightly, some areas still grew or remained steady:

- Occupancy in the university’s residence halls, Cardinal Village, is at an all-time high.
- Transfer student enrollment rose.
- The incoming freshmen class is among one of the best prepared to date based on average SAT and ACT scores
- This fall’s undergraduate student enrollment of 10,287 was virtually tied with 2016 numbers.



**LAMAR UNIVERSITY**

MEMBER THE TEXAS STATE UNIVERSITY SYSTEM™

UNAUDITED  
Lamar University (734)

Agency 734 - Lamar University  
Schedule 1A  
For the Fiscal Year Ended August 31, 2017

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Agy/ Univ No	Pass-through From		Direct Program Amount	Total PT From and Direct Prog. Amount	Agy/ Univ No.	Pass-through To			Total PT To and Expenditures Amount	
				Pass-Through From Agencies or Universities Amount	Pass-Through From Non-State Entities Amount				Pass-Through To Agencies or Universities Amount	Pass-Through To Non-State Entities Amount	Expenditures Amount		
<b>Environmental Protection Agency</b>													
<u>Direct Programs:</u>													
P3 Award: National Student Design Competition for Sustainability	66.516				0.00	5,112.45	5,112.45				5,112.45	5,112.45	
Totals - Environmental Protection Agency					-	-	5,112.45			-	-	5,112.45	5,112.45
<b>General Services Administration</b>													
<u>Pass-Through From:</u>													
Donation of Federal Surplus Personal Property (Non-monetary)	39.003						6,521.45				6,521.45	6,521.45	
<u>Pass-Through From:</u>													
Texas Facilities Commission			303		6,521.45							0.00	
Totals - Texas Facilities Commission					6,521.45	-	-	6,521.45		-	-	6,521.45	6,521.45
<b>National Science Foundation</b>													
<u>Direct Programs:</u>													
Engineering Grants	47.041					237,122.77	237,122.77				237,122.77	237,122.77	
Education and Human Resources	47.076					246,390.00	246,390.00				246,390.00	246,390.00	
Totals - National Science Foundation					-	-	483,512.77	483,512.77		-	-	483,512.77	483,512.77
<b>Small Business Administration</b>													
<u>Pass-Through From:</u>													
Small Business Development Centers	59.037						147,930.88				147,930.38	147,930.38	
<u>Pass-Through From:</u>													
University of Houston			730		147,930.38								
Totals - Small Business Administration					147,930.38	-	-	147,930.88		-	-	147,930.38	147,930.38
<b>U.S. Department of Commerce</b>													
<u>Direct Programs:</u>													
Economic Development--Technical Assistance	11.303					107,097.47	107,097.47				107,097.47	107,097.47	
Science, Technology, Business and/or Education Outreach	11.620					229.82	229.82				229.82	229.82	
Totals - U.S. Department of Commerce					-	-	107,327.29	107,327.29		-	-	107,327.29	107,327.29
<b>U.S. Department of Education</b>													
<u>Direct Programs:</u>													
Special Education--Personnel Development to Improve Services and Results for Children with Disabilities	84.325					129,799.02	129,799.02				129,799.02	129,799.02	
Totals - U.S. Department of Education					-	-	129,799.02	129,799.02		-	-	129,799.02	129,799.02

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Lamar University (734)

Agency 734 - Lamar University  
Schedule 1A  
For the Fiscal Year Ended August 31, 2017

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSF Name/ Identifying Number	Agy/ Univ No	Pass-through From		Direct Program Amount	Total PT From and Direct Prog. Amount	Agy/ Univ No.	Pass-through To		Total PT To and Expenditures Amount
				Pass-Through From Agencies or Universities Amount	Pass-Through From Non-State Entities Amount				Pass-Through To Agencies or Universities Amount	Pass-Through To Non-State Entities Amount	
<b>U. S. Department of Energy</b>											
<u>Direct Programs:</u>											
Nuclear Energy Research, Development and Demonstration	81.121					30,041.89	30,041.89			30,041.89	30,041.89
<u>Pass-Through From:</u>											
University of Texas At Austin	81.000						7,050.75			7,050.75	7,050.75
<u>Pass-Through From:</u>											
University of Texas at Austin			721	7,050.75							
<b>Totals - U. S. Department of Energy</b>				7,050.75	-	30,041.89	37,092.64		-	-	37,092.64
<b>U.S. Department of Health and Human Services</b>											
<u>Direct Programs:</u>											
Biomedical Research and Research Training	93.859					77,984.58	77,984.58			77,984.58	77,984.58
Substance Abuse and Mental Health Services, Projects of Regional and National Significance	93.243					288,694.79	288,694.79			288,694.79	288,694.79
<u>Pass-Through From:</u>											
Foster Care Title IV-E: Department of Family and Protective Services	93.658		530	(40,089.53)			(40,089.53)			(40,089.53)	(40,089.53)
<b>Totals - U.S. Department of Health and Human Services</b>				(40,089.53)	-	366,679.37	326,589.84		-	-	326,589.84
<b>U.S. Department of Housing and Urban Development</b>											
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228						4,628,503.20			4,628,503.20	4,628,503.20
<u>Pass-Through From:</u>											
General Land Office			305	4,628,503.20							
<b>Totals - U.S. Department of Housing and Urban Development</b>				4,628,503.20	-	-	4,628,503.20		-	-	4,628,503.20
<b>U. S. Department of Transportation</b>											
University Transportation Centers Program	20.701	Virginia Polytechnic Institute and State University/237147 Washington State University/237154			7,440.07		7,440.07			7,440.07	7,440.07
					10,708.10		10,708.10			10,708.10	10,708.10
<b>Totals - U.S. Department of Transportation</b>				-	18,148.17	-	18,148.17		-	-	18,148.17

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Lamar University (734)

Agency 734 - Lamar University  
Schedule 1A  
For the Fiscal Year Ended August 31, 2017

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Agg/ Univ No	Pass-through From		Direct Program Amount	Total PT From and Direct Prog. Amount	Agg/ Univ No.	Pass-through To		Total PT To and Expenditures Amount
				Pass-Through From Agencies or Universities Amount	Pass-Through From Non-State Entities Amount				Pass-Through To Agencies or Universities Amount	Pass-Through To Non-State Entities Amount	
<b>Research &amp; Development Cluster</b>											
<b>National Science Foundation</b>											
<u>Direct Programs:</u>											
Mathematical and Physical Sciences	47.049					526,500.00	526,500.00			526,500.00	526,500.00
Computer and Information Science and Engineering	47.070					58,790.66	58,790.66			58,790.66	58,790.66
Totals - National Science Foundation						585,290.66	585,290.66			585,290.66	585,290.66
<b>Student Financial Assistance Cluster</b>											
<b>U.S. Department of Education</b>											
<u>Direct Programs:</u>											
Federal Supplemental Educational Opportunity Grants	84.007					320,376.25	320,376.25			320,376.25	320,376.25
Federal Work-Study Program	84.033					500,000.00	500,000.00			500,000.00	500,000.00
Federal Perkins Loan Program_Federal Capital Contributions	84.038					51,684.01	51,684.01			51,684.01	51,684.01
Federal Pell Grant Program	84.063					16,400,210.37	16,400,210.37			16,400,210.37	16,400,210.37
Federal Direct Student Loans	84.268					75,991,330.00	75,991,330.00			75,991,330.00	75,991,330.00
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379					204,982.00	204,982.00			204,982.00	204,982.00
Totals - U.S. Department of Education						93,468,582.63	93,468,582.63			93,468,582.63	93,468,582.63
<b>TANF Cluster</b>											
<b>U.S. Department of Health and Human Services</b>											
<u>Pass-Through From:</u>											
Temporary Assistance for Needy Families	93.556						24,278.26			24,278.26	24,278.26
<u>Pass-Through From:</u>											
Texas Workforce Commission			320	24,278.26							
Totals - U.S. Department of Health and Human Services				24,278.26			24,278.26			24,278.26	24,278.26
<b>TRIO Cluster</b>											
<b>U.S. Department of Education</b>											
<u>Direct Programs:</u>											
TRIO_McNair Post-Baccalaureate Achievement	84.217					204,198.88	204,198.88			204,198.88	204,198.88
Totals - U.S. Department of Education						204,198.88	204,198.88			204,198.88	204,198.88
<b>Total Expenditures of Federal Awards</b>				4,774,194.51	18,148.17	95,380,544.96	100,172,888.14			100,172,887.64	100,172,887.64

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Lamar University (734)

Agency 734 - Lamar University  
Schedule 1A  
For the Fiscal Year Ended August 31, 2017

**Note 1: Non-Monetary Assistance**

The "Donation of Federal Surplus Personal Property" is presented at 22.47% of the original federal acquisition cost of \$29,022.90. The surplus property is passed through from General Services Commission (Agency 303). The federal grantor is the General Services Administration (GSA) and the federal CFDA number is 39.003. The estimated fair value at date of receipt was \$6,521.45

**Note 2: Reconciliation:**

Per Combined Governmental Operating Statement/Statement of Activities and Proprietary Statement of Changes in Revenues, Expenses and Net Assets

Governmental Funds - Federal Revenue (Exh. II)		
Proprietary Funds - Federal Revenue ( Operating Statement)	\$	24,132,635.19
Reconciling Items:		
Non-Monetary Programs		
Surplus Property		6,521.45
New Loans Processed:		
Federal Family Education Loans		-
Federal Perkins Loan Program		42,401.00
Federal Direct Student Loans		75,991,330.00
Other Reconciling Items:		
CFDA 97.036 Reimbursement for Presidentially Declared Disasters		-
Total Pass-Through & Expenditures Per Federal Schedule	\$	<u>100,172,887.64</u>

**Note 3: Student Loans Processed and Administrative Costs Recovered**

Federal Grantor/ CFDA Number /Program Name	New Loans Processed	Admin. Costs Recovered	Total Loans Processed & Admin. Costs. Costs Recovered	Ending Balances of Previous Years' Loans
U.S. Department of Education				
84.038 Federal Perkins Loan Program	42,401.00	9,283.01	51,684.01	758,382.79
84.268 Federal Direct Student Loans	75,991,330.00		75,991,330.00	
Total Department of Education	\$ <u>76,033,731.00</u>	\$ <u>9,283.01</u>	\$ <u>76,043,014.01</u>	\$ <u>758,382.79</u>

**Note 4: Depository Libraries for Government Publications**

The University participates as a depository library in the Government Printing Office's Depository Libraries for Government Publication program, CFDA #40.001. The University is the legal custodian of government publications, which remain the property of the federal government. The publications are not assigned a value by the Government Printing Office.

Lamar University (734)  
Schedule 1B  
Schedule of State Grant Pass-Throughs From/To State Agencies  
For the Year Ended August 31, 2017

**Pass Through From:**

Texas Education Agency ( Agy. #701)	
TALH Per Capita	22,221.00
TALH Formula	251,670.00
University of Texas System (Agy. #720)	
Joint Admission Medical Program (JAMP)	12,148.67
Texas Higher Education Coordinating Board ( Agy. # 781)	
Minority Health Research and Education	45,264.31
Nursing and Allied Health	12,457.88
TEXAS Grant Program	5,564,746.00
NHARP Admin	-38,100.64
Professional Nursing Shortage Reduction Program	266,072.04
Engineering Recruitment Program	10,309.78
College Work Study Program	94,830.00
Top 10% Scholarships	16,000.00
College Readiness	50,000.00
Total Pass Through From Other Agencies ( Exh II)	<u><u>6,307,619.04</u></u>

**Pass Thru To:**

Texas A&M University Ag. Research (Agy. #556)	
Estimation of Fugitive Dust Emissions from Cattle Feed Yards Using the Integrated Horizontal Flux Method	2,268.95
Texas Engineering Experiment Station ( Agy. #712)	
Elucidating the Impact of Engineered Nanoparticles on the Physiological and Biochemical Process Associated With Plant Water Intake and Water Use Efficiency	12,775.02
Boron Removal from Hydraulic Fracturing Wastewater by Aluminum Electrocoagulation: Mechanisms and Process	30,121.46

Lamar University (734)  
Schedule 1B  
Schedule of State Grant Pass-Throughs From/To State Agencies  
For the Year Ended August 31, 2017

Modeling Regional Secondary Organic	29,945.95
Use of Platimun group metals to accurately Quantify PM2.5 and PM10 emmissions	56,349.54
Role of faculatatve methantrophs in pollutant degradation	44,655.83
University of Texas (Agy. # 721)	
Tailoring the Structure of Hydrogenation Catalysts to Transform the Economic and Enviromental Sustainability of Nitrate Removal from Drinking Water	25,980.90
Enviromental Chamber Experiments of Quantify the Gas-Particle Partitioning and Particle Phase Hydrolysis	30,838.24
Impact of Coagulation on Bio-Filtration: Simultaneous of Multiple Chemical Contaminants	35,085.33
Development of Nanomaterial Use, Transport & Disposal Guidelines for Laboratories	5,223.63
University of Houston (Agy. # 730)	
Impact of Uncertainties on NO2 and HONO Emissions And Chemistry on Radicals and Ozone in Southeast Texas	25,322.30
Long-Term Groundwater Impacts of Unsaturated Zone Releases of Fuels Containing Alcohols	12,742.07
Multifunctional graphene-oxide nanocomposite beads for removal of water contaminants in packed bed columns	28,644.80



Lamar University (734)  
Schedule 1B  
Schedule of State Grant Pass-Throughs From/To State Agencies  
For the Year Ended August 31, 2017

Boron removal from hydraulic fracturing wastewater by aluminum electrocoagulation: Mechanisms & Process	20,732.72
CMAQ High Night-Time Ozone Bias at Southeast Texas: Is Stronger Night-Time Wind the Culprit	46,345.85
Understanding and Controlling Radioactive (Ba, Ra) SO4 Precipitation on Oil-Field Equipment	22,976.57
Total Pass Through To Other Agencies ( Exh II)	<u><u>430,009.16</u></u>

Lamar University  
Schedules 2A-2F  
For the year ended August 31, 2017

The following schedules were **not used** for the year ended August 31, 2017:

Schedule 2A	Miscellaneous Bond Information
Schedule 2B	Changes in Bonded Indebtedness
Schedule 2C	Debt Service Requirements
Schedule 2D	Analysis of Funds Available for Debt Service
Schedule 2E	Defeased Bonds Outstanding
Schedule 2F	Early Extinguishment and Refunding



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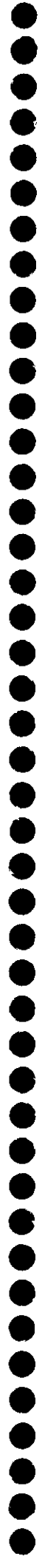
GR Reconciliation

GR Internet Project - FY 2017

Agency 734 - Lamar University

Fund Type 05

Line Number	Direct Strategy	OASI Appn 91142	Retirement Appn 90327, 91327, 94327	(Article III Only) Appn 97646	(HE non self-insured only) Appn 98327, 99327	(Self-insured HE only) Appn 95002	(Agency only) Appn 23102	Longevity Increase	Other	Calc Per Source	Adjustments	Amount as Adjusted	
Calculation I													
Legislative Appropriations (PV Ending Asset Balance)	100100	1,284,901.57								1,284,901.57		1,284,901.57	
Committed Legislative Appropriation Revenue	100300	49,063,811.00								49,063,811.00		49,063,811.00	
Riders Increasing Budget	100400									0.00		0.00	
Riders Decreasing Budget	100500									0.00		0.00	
<b>Total Original Appropriation Revenue</b>		<b>49,063,811.00</b>							<b>0.00</b>	<b>49,063,811.00</b>		<b>49,063,811.00</b>	
<b>Additional Legislative Appn Revenue:</b>													
<b>Payroll Related Revenues:</b>													
OASI Appropriation	200100	2,891,347.50								2,891,347.50		2,891,347.50	
Retirement Appropriation	200200									0.00		0.00	
ORP Appropriation	200300			1,026,322.61						1,026,322.61		1,026,322.61	
Insurance Appropriation	200400									0.00		0.00	
Group Insurance Program (GIP)	200500									0.00		0.00	
BRP Appropriation	200600									0.00		0.00	
Salary/Longevity Increase	200700									0.00		0.00	
APS 001 - (Other MOF - Fed Funds Etc)	200800									0.00		0.00	
<b>Other Revenue Adjustments:</b>													
Budget Revisions	300100									0.00		0.00	
Unexpended Balance Forward	300200									0.00		0.00	
<b>Payments on behalf of agency (The agency below will provide this data)</b>													
Retirement Contribution (Agy=ERS(327) HF=TRS(323))	400100		2,098,162.57							2,098,162.57		2,098,162.57	
Group Insurance Contribution (HIED non self insur-ERS)	400200				9,003,001.00					9,003,001.00		9,003,001.00	
Unemployment Contribution (TWC)	400300							78,837.46		78,837.46		78,837.46	
<b>Total Additional Legislative Appn Revenue (lines 14 through 31)</b>		<b>0.00</b>	<b>2,891,347.50</b>	<b>2,098,162.57</b>	<b>1,026,322.61</b>	<b>9,003,001.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>78,837.46</b>	<b>15,097,671.14</b>	<b>0.00</b>	<b>15,097,671.14</b>
<b>Payroll Related Costs (sum of lines 28 to 31)</b>	400900	0.00	0.00	(2,098,162.57)	0.00	(9,003,001.00)	0.00	0.00	0.00	(78,837.46)	(11,180,001.03)	0.00	(11,180,001.03)
<b>Appropriation Legislative Transfers</b>													
Higher Education Assistance Fund Distribution	500000	14,101,882.00								14,101,882.00		14,101,882.00	
BRP transfers within the agency	500100									0.00		0.00	
Salary/Longevity Increase transfers within the agency	500200									0.00		0.00	
Committed Budget Transfers In	500300	4,866,690.00								4,866,690.00		4,866,690.00	
Committed Budget Transfers Out	500400	(7,097,856.00)								(7,097,856.00)		(7,097,856.00)	
Other Line Adjustments (FRS entry only)	590000									0.00		0.00	
Committed Appropriations Lapsed	600100	(431.80)								(431.80)		(431.80)	
<b>Net Change in Cash</b>													
Appropriated Net Change in Cash (Column B through J Activity)	600200	(49,996,463.32)	(2,891,347.50)	(1,026,322.61)						(53,914,133.43)		(53,914,133.43)	
Unapprop Net Change in Cash (Appn 90000, 99906-8)	600300									0.00		0.00	
EFF-Earned Federal Funds (Appn 70000)	600400									0.00		0.00	
Other Net Change in Cash (Appn 90822-3, 94992)	600500									0.00		0.00	
<b>Total Net Change in Cash</b>	600900	<b>(49,996,463.32)</b>	<b>(2,891,347.50)</b>	<b>0.00</b>	<b>(1,026,322.61)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(53,914,133.43)</b>	<b>0.00</b>	<b>(53,914,133.43)</b>	
<b>Computed Leg Appn for Balance Sheet (Asset Bal 8/31)</b>		<b>12,222,533.45</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>12,222,533.45</b>	<b>0.00</b>	<b>12,222,533.45</b>	
<b>Calculation II</b>													
Legislative Appn Balance - at August 31	700100	12,222,533.45								12,222,533.45		12,222,533.45	
OASI Payable at 8/31	700200									0.00		0.00	
Retirement Payable at 8/31	700300									0.00		0.00	
ORP Payable at 8/31	700700									0.00		0.00	
Insurance Payable at 8/31	700400									0.00		0.00	
Group Insurance Program (GIP) payable at 8/31	700500									0.00		0.00	
BRP Appropriation Adjustment	700600									0.00		0.00	
Salary/Longevity Increase Adjustment	700800									0.00		0.00	
Other APS 001 Adjustments	700900									0.00		0.00	
Unappropriation Net Change in Cash (Appn 00000, 99906-8)	701000									0.00		0.00	
Earned Fed Funds Net Change in Cash (Appn 70000)	701100									0.00		0.00	
Other Net Changes in Cash (Appn 90822-3, 94992)	701200									0.00		0.00	
Other Line Adjustments (FRS only)	900000									0.00		0.00	
<b>Computed Leg Appn FYCY (Asset Bal 8/31)</b>		<b>12,222,533.45</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>12,222,533.45</b>	<b>0.00</b>	<b>12,222,533.45</b>	
<b>Difference between Calc I and Calc II</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	





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