



LAMAR UNIVERSITY
A Member of The Texas State University System

ANNUAL FINANCIAL REPORT

FISCAL YEAR 2013
(September 1, 2012 - August 31, 2013)

LAMAR UNIVERSITY

TABLE OF CONTENTS

	Page
Letter of Transmittal	
Management Discussion and Analysis (Combined Only)	
Organizational Data	i
Enrollment Data	ii
Proprietary Fund Financial Statements (Primary Statements)	
Statement of Net Assets	1
Statement of Revenues, Expenses, and Changes in Net Assets	5
Matrix of Operating Expenses Reported by Function	7
Statement of Cash Flows	8
Notes to the Financial Statements	11
Supplemental Supporting Information	
Schedules:	
1A Schedule of Expenditures of Federal Awards	29
1B Schedule of State Grant Pass-Throughs To/From State Agencies	34
2E Defeased Bonds Outstanding	36
3 Reconciliation of Cash in State Treasury	37
4 Higher Education Assistance Fund	38
General Revenue Reconciliation.....	39

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LAMAR UNIVERSITY
A Member of The Texas State University System

November 20, 2013

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, 2013.

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 Vicki Ward at (409) 880-8931.

Respectfully submitted,

Dr. Cruse Melvin
Interim, Vice President for Finance and Operations

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Lamar University

A Member of The Texas State University System

ORGANIZATIONAL DATA AS OF AUGUST 31, 2013

The Texas State University System

BOARD OF REGENTS OFFICERS

Donna N. Williams	Chairman
Ron Mitchell	Vice Chairman

MEMBERS

	Term Expires	Hometown
Charlie Amato	2/1/2013	San Antonio
Dr. Jaime R. Garza	2/1/2017	San Antonio
Kevin Lilly	2/1/2015	Houston
Ron Mitchell	2/1/2015	Horseshoe Bay
David Montagne	2/1/2015	Beaumont
Vernon Reaser III	2/1/2017	Bellaire
Rossanna Salazar	2/1/2017	Austin
William F. Scott	2/1/2017	Nederland
Donna N. Williams	2/1/2011	Dallas
Matthew Russell, Student	2/1/2014	San Marcos

ADMINISTRATIVE OFFICERS

SYSTEM OFFICE

Dr. Brian McCall	Chancellor
Dr. Perry Moore	Vice Chancellor for Academic Affairs
Dr. Fernando C. Gomez	Vice Chancellor and General Counsel
Dr. Roland Smith	Vice Chancellor for Finance
Daniel Harper	Deputy 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

ADMINISTRATIVE OFFICERS

Dr. Kenneth Evans	President
Dr. Stephen A. Doblin	Provost and Vice President for Academic Affairs
Dr. Cruse Melvin	Interim, Vice President for Finance and Operations
Dr. Kevin Smith	Vice President for Student Affairs, Interim
Camille Mouton	Vice President University Advancement
Jason Henderson	Athletic Director

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Unaudited

Lamar University
 Student Enrollment Data
 For the Year Ended August 31, 2013

TYPE OF STUDENT	NUMBER OF STUDENTS BY SEMESTER			
	FALL 2012	SPRING 2013	SUMMER TERM 2013	
			FIRST	SECOND
Texas Residents	12,187	10,995	2,977	3,047
Out of State (Classified as Residents)				
Out of State	284	285	188	197
Foreign	85	49		
Adopted Students	30	30	7	7
Armed Forces	11	9	2	2
Clinical Preceptor Exempt	4	7	1	1
Co Op Enrollment	17	10	16	16
Commission for the Blind/Deaf	92	83	24	24
Competitive Waiver	525	543	219	146
Faculty/Staff	1	1		
Fireman Training				
Foster Children of the State	26	19	3	2
Good Neighbor	5	4	1	1
Hazelwood Act	199	199	71	71
Hazelwood Act-Legacy	259	247	70	65
Highest Ranking High School Graduates	11	9		
LEAP Waiver	237	201	84	84
Louisiana Reciprocity	239	237	17	17
Public Servants	73	80		
Senior Citizens	2	2		
Teaching Assistants	1			
Totals	14,288	13,010	3,680	3,680

Enrollment Data (Fall Semester)

Fiscal Year	STUDENTS	SEMESTER
		HOURS
2013	14,288	140,221
2012	14,021	140,221
2011	13,494	140,802
2010	14,388	137,135
2009	13,992	130,583
2008	13,280	130,117
2007	10,213	114,114
2006	9,906	112,370
2005	10,595	118,940
2004	10,804	119,774
2003	10,379	113,572
2002	9,802	106,478
2001	8,968	96,866
2000	8,568	92,521
1999	8,149	88,352

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Unaudited

**Texas State University System
Lamar University
Statement of Net Assets
August 31, 2013**

Total

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents (Note 3)

Cash on Hand	\$	18,200.00	
Cash in Bank		31,978,338.85	
Cash in Transit/Reimburse from Treasury		336,799.05	
Cash in State Treasury		7,262,788.79	(schedule 3)
Cash Equivalents		7,128,737.41	

Securities Lending Collateral

Short Term Investments (Note 3)

Restricted:

Cash and Cash Equivalents (Note3)

Cash on Hand			
Cash in Bank		3,923,894.59	
Cash in Transit/Reimburse from Treasury			
Cash in State Treasury			(schedule 3)
Cash Equivalents			

Short Term Investments (Note 3)

Legislative Appropriations

Receivables:

Federal		1,881,288.62	
Other Intergovernmental			
Interest and Dividends			
Accounts		27,420,964.86	
Gifts		3,100,000.00	
Investment Trades			
Other			

Interfund Receivable (Note 12)

Due From Other Agencies (Note 12)

Consumable Inventories

Merchandise Inventories

Prepaid Items

Loans and Contracts

Other Current Assets

Total Current Assets	\$	118,057,739.56
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Unaudited

**Texas State University System
Lamar University
Statement of Net Assets
August 31, 2013**

	Total
Non-Current Assets and Deferred Outflows:	
Restricted:	
Cash and Cash Equivalents (Note 3)	
Cash on Hand	\$ -
Cash in Bank	1,737,160.37
Cash in Transit/Reimburse from Treasury	
Cash in State Treasury	
Cash Equivalents	27,185,556.36
Short Term Investments (Note3)	
Receivables	637,012.40
Investments (Note 3)	8,373,664.13
Loans and Contracts	
Other Assets	
Deferred Charges	
Loans and Contracts	
Investments (Note 3)	
Interfund Receivables (Note 12)	
Gifts	
Capital Assets:	
Non-Depreciable:	
Land and Land Improvements	11,249,035.90
Infrastructure	
Construction in Progress	3,580,464.45
Other Capital Assets	2,004,665.50
Depreciable:	
Buildings and Building Improvements	251,625,720.15
Less Accumulated Depreciation	(117,692,555.97)
Infrastructure	17,106,486.90
Less Accumulated Depreciation	(11,420,698.24)
Facilities and Other Improvements	22,444,560.44
Less Accumulated Depreciation	(10,870,746.67)
Furniture and Equipment	22,197,529.95
Less Accumulated Depreciation	(15,495,232.02)
Vehicles, Boats, and Aircraft	1,212,522.69
Less Accumulated Depreciation	(774,962.00)
Other Capital Assets	22,685,748.31
Less Accumulated Depreciation	(19,056,106.56)
Amortizable Assets-Intangible	
Less Accumulated Amortization	
Other Non-Current Assets	
Total Non-Current Assets	\$ 216,729,826.09
Total Assets	\$ 334,787,565.65

Unaudited

**Texas State University System
Lamar University
Statement of Net Assets
August 31, 2013**

	Total
DEFERRED OUTFLOWS	
Derivative Hedging Instrument Assets	\$ -
Deferred Outflow of Resources	-
Total Deferred Outflows	\$ -
Total Assets and Outflows	\$ 334,787,565.65
LIABILITIES AND DEFERRED INFLOWS	
Current Liabilities:	
Payables:	
Accounts	\$ 7,797,097.70
Investment Trades	
Payroll	7,476,446.78
Other Intergovernmental	
Federal	
Interest	
Other	361,851.69
Interfund Payable (Note 12)	13,442,996.03
Due to Other Agencies (Note 12)	7,800,878.46
Unearned Revenues	49,510,603.24
Notes and Loans Payable (Note 5)	
Revenue Bonds Payable, Net (Note 5, 6)	
General Obligation Bonds Payable, Net (Note 5, 6)	
Claims and Judgments (Note 5)	
Employees' Compensable Leave (Note 5)	384,550.76
Capital Lease Obligations (Note 5, 8)	
Contract Retainage Payable	
Liabilities Payable from Restricted Assets	
Obligations/Reverse Repurchase Agreements	
Obligations Under Securities Lending	
Funds Held for Others	398,818.94
Other Current Liabilities	18,516.37
Total Current Liabilities	\$ 87,191,759.97
Non-Current Liabilities and Deferred Inflows:	
Interfund Payables (Note 8)	\$ -
Notes and Loans Payable (Note 5)	
Revenue Bonds Payable, Net (Note 5, 6)	
General Obligation Bonds Payable, Net (Note 5, 6)	
Claims and Judgments (Note 5)	
Employees' Compensable Leave (Note 5)	2,179,121.00
Capital Lease Obligations (Note 5, 8)	
Liabilities Payable from Restricted Assets	
Assets Held for Others	
Pollution Remediation Obligations	

Unaudited

**Texas State University System
Lamar University
Statement of Net Assets
August 31, 2013**

	Total
Other Non-Current Liabilities	104,926.10
Total Non-Current Liabilities and Deferred Inflows	\$ 2,284,047.10
Total Liabilities	\$ 89,475,807.07
 DEFERRED INFLOWS	
Derivative Instrument Liabilities	\$ -
Deferred Inflow of Resources	-
Total Deferred Inflows	\$ -
Total Liabilities and Inflows	\$ 89,475,807.07
 NET POSITION	
Invested in Capital Assets, Net of Related Debt	\$ 178,796,432.83
Restricted For	
Education	31,649,624.32
Debt Retirement	
Capital Projects	16,572,316.19
Employee Benefits	
Funds Held As Permanent Investments:	
Non-Expendable	15,567,212.84
Expendable	2,726,172.40
Other	
Unrestricted	
Total Net Position	\$ 245,311,758.58

Unaudited

Texas State University System
Lamar University
Statement of Revenues, Expenses, and Changes in Net Assets
For the Fiscal Year Ended August 31, 2013

	<u>Total</u>
OPERATING REVENUES	
Sales of Goods and Services	\$ -
Tuition and Fees - Pledged	104,529,050.05
Discounts and Allowances	(11,746,099.34)
Discounts and Allowances	
Professional Fees	
Professional Fees - Pledged	
Discounts and Allowances	
Auxiliary Enterprises	
Auxiliary Enterprises - Pledged	17,470,031.24
Discounts and Allowances	
Other Sales of Goods and Services	
Other Sales of Goods and Services - Pledged	3,083,029.13
Discounts and Allowances	
Interest and Investment Income	
Interest and Investment Income Pledged	
Net Increase (Decrease) Fair Market Value	
Net Increase (Decrease) Fair Market Value - Pledged	
Federal Revenue-Operating	3,028,886.67
Federal Pass-Through Revenue	554,336.98
State Grant Revenue	82,857.18
State Grant Pass-Through Revenue	4,913,652.11
Other Grants and Contracts	1,373,147.85
Other Grants and Contracts - Pledged	
Other Operating Revenues	
Other Operating Revenues - Pledged	1,893,689.16
Total Operating Revenues	<u>\$ 125,182,581.03</u>
OPERATING EXPENSES	
Instruction	\$ 55,456,538.24
Research	3,894,854.27
Hospitals and Clinics	
Public Service	1,322,665.53
Academic Support	23,036,315.85
Student Services	6,503,739.03
Institutional Support	22,425,543.53
Operation and Maintenance of Plant	11,007,427.68
Scholarship and Fellowships	24,206,140.91
Auxiliary Enterprise Expenditures	29,885,917.03
Depreciation and Amortization	9,392,621.32
Total Operating Expenses	<u>\$ 187,131,763.39</u>
Operating Income (Loss)	<u>\$ (61,949,182.36)</u>
NONOPERATING REVENUES (EXPENSES):	
Legislative Revenue	\$ 35,273,575.00
Additional Appropriations	10,778,337.60
Federal Revenue	17,899,146.00
Federal Pass-Through Revenue	
State Grant Pass-Through Revenue	
Gifts	13,667,876.08
Gifts - Pledged	

Unaudited

Texas State University System
Lamar University
Statement of Revenues, Expenses, and Changes in Net Assets
For the Fiscal Year Ended August 31, 2013

	Total
Land Income	
Interest and Investment Income (Expense)	665,437.00
Interest and Investment Income (Expense) - Pledged	110,852.58
Loan Premium/Fees Securities Lending	
Investing Activities Expenses	
Interest Expenses and Fiscal Charges	
Borrower Rebates and Agent Fees	
Gain (Loss) on Sale of Capital Assets	(71,974.59)
Net Increase (Decrease) in Fair Value of Investments	583,976.44
Net Increase (Decrease) in Fair Value of Investments - Pledged	
Settlement of Claims	
Other Nonoperating Revenues	536,751.03
Other Nonoperating Expenses	
Total Nonoperating Revenues (Expenses)	\$ 79,443,977.14
Income (Loss) before Other Revenues, Expenses, Gains/Losses and Transfers	\$ 17,494,794.78
 OTHER REVENUES, EXPENSES, GAINS/LOSSES AND TRANSFERS	
Capital Contributions	
Capital Appropriations (HEAF)	8,330,933.00
Federal Grant - Capital Grant Contributions	
Contributions to Permanent and Term Endowments	
Special Items	
Extraordinary Items	
Increase NA Interagency Transfer Capital Assets	147,066.69
Decrease NA Interagency Transfer Capital Assets	
Transfer In	3,000,000.00
Transfer Out	(12,257,610.56)
Legislative Transfer In	
Legislative Transfer Out	(2,438,894.84)
Lapses	(215.16)
Total Other Revenues, Expenses, Gains/Losses and Transfers	\$ (3,218,720.87)
CHANGE IN NET ASSETS	\$ 14,276,073.91
Net Assets, September 1, 2012	\$ 231,085,308.15
Restatements	(49,623.48)
Net Assets, September 1, 2012, as Restated	\$ 231,035,684.67
NET ASSETS, August 31, 2013	\$ 245,311,758.58

Unaudited

Texas State University System
Lamar University
Matrix of Operating Expenses Reported by Function
For the Fiscal Year Ended August 31, 2013

Operating Expenses	Instruction	Research	Hospitals and Clinics	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	39,105,669.22	1,406,270.95		531,413.64	7,416,937.30	4,513,787.74	10,638,634.68	5,083,415.26		6,959,182.61		75,655,310.30
Payroll Related Costs	13,914,349.32	192,365.98		131,230.98	1,662,545.10	1,328,813.46	2,553,335.50	1,701,370.26		1,412,911.02		22,896,921.62
Professional Fees and Services	231,962.28	222,546.05		421,145.67	8,921,956.79	77,925.70	5,757,134.18	108,374.96		3,594,345.29		19,335,300.92
Federal Grant Pass-Through Expense		99,282.30										99,282.30
State Grant Pass-Through Expense		470,146.11										470,146.11
Travel	484,939.54	148,795.29		57,995.59	248,719.81	106,284.78	111,562.60	5,364.87		1,354,657.68		2,489,229.96
Materials and Supplies	977,615.42	792,992.71		106,030.67	3,770,891.06	217,838.98	1,469,623.73	1,798,365.01		7,106,918.40		16,240,275.98
Communications and Utilities	2,485.78	768.18		5,150.29	87,130.92	10,411.73	701,848.41	2,247,549.72		2,048,901.74		5,104,246.77
Repairs and Maintenance	84,642.26	27,757.77		10,377.77	302,549.25	24,529.00	487,670.00	50,532.51		1,150,214.76		2,138,273.32
Rentals and Leases	128,187.36	8,988.82		3,455.49	65,623.05	15,543.18	76,224.87	3,546.87		377,114.95		678,685.80
Printing and Reproduction	45,452.47	2,843.61		6,536.31	21,654.89	36,953.99	156,231.95	7,667.42		157,247.51		436,986.15
Depreciation and Amortization*											9,392,621.32	9,392,621.32
Bad Debt Expense												
Interest												
Scholarships									24,205,140.91			24,205,140.91
Claims and Judgments												
Other Operating Expenses	481,235.59	522,995.80		49,419.12	539,307.68	171,650.48	471,277.60	939.00		5,748,744.66		29,954,685.57
Total Operating Expenses	\$ 55,456,558.24	\$ 3,894,854.27	\$	\$ 1,322,665.53	\$ 29,036,315.85	\$ 6,503,739.03	\$ 28,425,543.53	\$ 11,007,427.68	\$ 24,205,140.91	\$ 29,895,917.03	\$ 9,392,621.32	\$ 187,131,763.39

Unaudited

Texas State University System
Lamar University
Statement of Cash Flows
For the Fiscal Year Ended August 31, 2013

	Total
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	\$ 3,083,029.13
Proceeds from Tuition and Fees	95,537,758.38
Proceeds from Research Grants and Contracts	9,952,880.79
Proceeds from Gifts	
Proceeds from Loan Programs	
Proceeds from Auxiliaries	14,924,231.16
Proceeds from Other Revenues	1,893,689.16
Payments to Suppliers for Goods and Services	(45,858,621.53)
Payments to Employees for Salaries	(75,220,408.78)
Payments to Employees for Benefits	(22,896,921.62)
Payments for Loans Provided	
Payments for Other Expenses	(29,903,885.56)
Net Cash Provided by Operating Activities	\$ (48,488,248.87)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Proceeds from Debt Issuance	\$ 3,000,000.00
Proceeds from State Appropriations	54,382,630.44
Proceeds from Gifts	13,667,876.08
Proceeds from Endowments	
Proceeds of Transfers from Other Funds	
Proceeds from Grant Receipts	16,732,577.00
Proceeds from Advances from Other Funds	
Proceeds from Loan Programs	
Proceeds from Other Financing Activities	644,057.78
Proceeds from Contributed Capital	
Payments of Principal on Debt Issuance	
Payments of Interest	
Payments of Other Costs of Debt Issuance	
Payments for Transfers to Other Funds	
Payments for Grant Disbursements	
Payments for Advances to Other Funds	
Payments for Other Uses	(2,469,040.25)
Net Cash Provided by Noncapital Financing Activities	\$ 85,958,101.05
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from the Sale of Capital Assets	\$ -
Proceeds from Debt Issuance	
Proceeds from State Grants and Contracts	
Proceeds from Federal Grants and Contracts	
Proceeds from Gifts	
Proceeds from Other Financing Activities	
Proceeds from Capital Contributions	
Proceeds from Advances from Other Funds	
Payments for Additions to Capital Assets	(4,809,316.87)
Payments of Principal on Debt	(5,658,040.16)
Payments for Capital Lease	
Payments of Interest on Debt Issuance	(6,003,846.74)
Payments for interfund receivables	
Payments of Other Costs of Debt Issuance	
Net Cash Provided by Capital and Related Financing Activities	\$ (16,471,203.77)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales of Investments	\$ -
Proceeds from Interest Income	776,289.58
Proceeds from Investment Income	
Proceeds from Principal Payments on Loans	
Payments to Acquire Investments	

Unaudited

Texas State University System
Lamar University
Statement of Cash Flows
For the Fiscal Year Ended August 31, 2013

	<u>Total</u>
Payments for Nonprogram loans provided	
Net Cash Provided by Investing Activities	<u>\$ 776,289.58</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 21,774,937.99
Cash and Cash Equivalents, September 1, 2012	57,796,537.43
Changes in Accounting Principle	
Changes in Reporting Entity	
Restatements to Beginning Cash and Cash Equivalents	
Cash and Cash Equivalents, September 1, 2012- Restated	<u>\$ 57,796,537.43</u>
Cash and Cash Equivalents, August 31, 2013	<u>\$ 79,571,475.42</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income (Loss)	\$ (61,949,162.36)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Amortization and Depreciation	9,392,621.32
Bad Debt Expense	
Operating Income (Loss) and Cash Flow Categories: Classification Differences	
Changes in Assets and Liabilities:	
(Increase) Decrease in Receivables	(9,125.02)
(Increase) Decrease in Due from Other Funds	
(Increase) Decrease in Inventories	(1,678.89)
(Increase) Decrease in Prepaid Expenses	(297,801.46)
(Increase) Decrease in Notes Receivable	(521,407.25)
(Increase) Decrease in Loans & Contracts	
(Increase) Decrease in Other Assets	(1,285,974.66)
(Increase) Decrease in State Appropriations	
Increase (Decrease) in Payables	4,516,164.82
Increase (Decrease) in Deposits	48,515.38
Increase (Decrease) in Due to Other Funds	
Increase (Decrease) in Unearned Revenue	1,717,511.02
Increase (Decrease) in Compensated Absence Liability	(99,691.77)
Increase (Decrease) in Benefits Payable	
Increase (Decrease) in Other Liabilities	
Total Adjustments	<u>13,460,933.49</u>
Net Cash Provided by Operating Activities	<u>\$ (48,488,248.87)</u>
Non Cash Transactions	
Donation of Capital Assets	\$ 147,066.69
Net Change in Fair Value of Investments	583,976.44
Borrowing Under Capital Lease Purchase	
Other	

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Unaudited

LAMAR UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS

August 31, 2013

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 will be considered for audit by the State Auditor as part of the audit of the State of Texas Comprehensive Annual Financial Report; 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.

Unaudited

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 Assets**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 stated at fair value in all funds except pension trust funds in accordance with GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. For pension trust funds, investments are required to be reported at fair value using the accrual basis of accounting in accordance with GASB Statement 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*.

Unaudited

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 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 reported on the modified basis. 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 is not available. Donated assets are reported at fair value on the acquisition date. 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.

Unaudited

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 assets. 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 assets.

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 assets/balance). 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.

Unaudited

Bonds Payable-Revenue Bonds

Revenue bonds are generally accounted for in the proprietary funds. The bonds payable are reported at par less unamortized discount or plus unamortized premium. Interest expense is reported on the accrual basis, with amortization of discount or premium. Payables are reported separately as either current or noncurrent in the statement of net assets.

FUND BALANCE/NET ASSETS

The difference between fund assets and liabilities is “Net Assets” on the government-wide, proprietary and fiduciary fund statements, and the “Fund Balance” is the difference between fund assets and liabilities on the governmental fund statements.

Reservations of Fund Balance

Fund Balances for governmental funds are classified as either reserved or unreserved in the fund financial statements. Reservations are legally restricted to a specific future use or not available for expenditure.

Reserved for Encumbrances

This represents commitments of the value of contracts awarded or assets ordered prior to year-end but not received as of that date. Encumbrances are not included with expenditures or liabilities. They represent current resources designated for specific expenditures in subsequent operating periods.

Reserve for Consumable Inventories

This represents the amount of supplies, postage and prepaid assets to be used in the next fiscal year.

Unreserved/Undesignated

This represents the unappropriated balance at year-end.

Invested in Capital Assets, Net of Related Debt

Invested in capital assets, net of related debt 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 Assets

Unaudited

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

Unrestricted Net Assets

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

INTERFUND ACTIVITY 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 it 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 and expenditures or expenses of the disbursing fund. The composition of Lamar University’s Interfund activities and balances are presented in Note 12.

Unaudited

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, 2013 is presented below:

	09/01/12	Adjustments	CIP	Inc/(Decrease)	Additions	Deletions	09/31/13
BUSINESS-TYPE ACTIVITIES							
Non-Depreciable Assets							
Land and Land Improvements	11,013,218.36	-	235,817.54	-	-	-	11,249,035.90
Library books/Leaseholds	-	-	-	-	-	-	-
Construction in Progress	1,148,858.54	(49,623.48)	(2,207,496.28)	-	4,688,725.67	-	3,580,464.45
Other Assets	2,004,665.50	-	-	-	-	-	2,004,665.50
Total Non-Depreciable Assets	14,166,742.40	(49,623.48)	(1,971,678.74)	-	4,688,725.67	-	16,834,165.85
Depreciable Assets							
Buildings and Building Improvements Infrastructure	249,654,041.41	-	1,971,678.74	-	-	-	251,625,720.15
	17,106,486.90	-	-	-	-	-	17,106,486.90
Facilities & Other Improvements	22,444,560.44	-	-	-	-	-	22,444,560.44
Furniture and Equipment	21,444,932.44	-	-	147,066.69	1,048,144.57	(442,613.75)	22,197,529.95
Vehicle, Boats & Aircraft	1,143,894.18	-	-	19,566.00	204,477.98	(155,435.47)	1,212,522.69
Library books/Leaseholds	22,619,834.05	-	-	-	72,782.50	(6,868.24)	22,685,748.31
Total Depreciable Assets at	334,413,749.42	-	1,971,678.74	166,652.69	1,325,405.05	(604,917.46)	337,272,568.44
Less Accumulated Depreciation							
Buildings and Improvements Infrastructure	(112,170,447.49)	-	-	-	(5,522,108.48)	-	(117,692,555.97)
	(10,947,730.96)	-	-	-	(472,967.28)	-	(11,420,698.24)
Facilities & Other Improvements	(10,243,858.48)	-	-	-	(626,888.18)	-	(10,870,746.67)
Furniture and Equipment	(13,877,355.84)	-	-	-	(2,013,670.27)	395,794.09	(15,495,232.02)
Vehicles, Boats & Aircraft	(757,499.17)	-	-	(19,566.00)	(128,157.37)	130,280.54	(774,962.00)
Library books/Leaseholds	(18,434,145.06)	-	-	-	(628,829.74)	5,868.24	(19,056,106.56)
Total Accumulated Depreciation	(166,431,037.01)	-	-	(19,566.00)	(9,392,621.32)	532,942.87	(175,310,301.46)
Depreciable Assets, Net	167,982,712.41	-	1,971,678.74	147,066.69	(8,067,216.27)	(71,974.59)	161,962,266.98
Business Type-Activities	182,149,454.81	(49,623.48)	-	147,066.69	(3,378,490.60)	(71,974.59)	178,796,432.83

Unaudited

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 08/31/13, the actual bank balance was \$38,361,100.35. The carrying balance was \$37,639,393.81 as presented below.

Governmental and Business-Type Activities	
CASH IN BANK - CARRYING VALUE	\$37,639,393.81
Less: Certificates of Deposit included in carrying value and reported as Cash Equivalent	
Less: Uninvested Securities Lending Cash Collateral included in carrying value and reported as Securities Lending Collateral	
Less: Securities Lending CD Collateral included in carrying value and reported as Securities Lending Collateral	
Cash in Bank per AFR	\$37,639,393.81
Governmental Funds Current Assets Cash in Bank	
Governmental Funds Current Assets Restricted Cash in Bank	
Governmental Funds Non-Current Assets Restricted Cash in Bank	
Proprietary Funds Current Assets Cash in Bank	\$31,978,338.85
Proprietary Funds Current Assets Restricted Cash in Bank	3,923,894.59
Proprietary Funds Non-Current Restricted Cash in Bank	1,737,160.37
Cash in Bank per AFR	\$37,639,393.81

Unaudited

Investments

As of August 31, 2013 investments, at fair market value, consisted of the following:

Governmental and Business-Type Activities	
	Fair Value
U.S. Government	
U.S. Treasury Securities	\$
U.S. Treasury Strips	
U.S. Treasury TIPS	
U.S. Government Agency Obligations (Ginnie Mae, Fannie Mae, Freddie Mac, etc)	
U.S. Government Agency Obligations (Texas Treasury Safekeeping Trust Co)	
Corporate Obligations	
Corporate Asset and Mortgage Backed Securities	
Equity	7,289,124.11
International Obligations (Govt and Corp)	
International Equity	
Repurchase Agreement	
Repurchase Agreement (Texas Treasury Safekeeping Trust Co)	
Fixed Income Money Market and Bond Mutual Fund	1,084,540.02
Other Commingled Funds	
International Other Commingled Funds	
SUBTOTAL LONG-TERM INVESTMENTS (Statement of Net Assets)	\$ 8,373,664.13
Other Commingled Funds (Texpool)	\$ 34,314,293.77
Commercial Paper	
Alternative Investments	
Misc (alternative investments, limited partnerships, guaranteed investment contract, political subdivision, bankers' acceptance, negotiable CD)	
SUBTOTAL CASH EQUIVALENTS (Statement of Net Assets)	\$ 34,314,293.77
Total	\$ 42,687,957.90

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. Investment grade ratings of debt securities as August 31, 2013, were as follows:

Unaudited

Fund Type	GAAP Fund	Investment Type	Current Standard & Poor's Rating				Total
			AAA	AA	A	BBB	
05	9999	Fixed Money Market and Bond Mutual Fund					
05	9999	U.S. Government Agency Obligations (Exclude obligations explicitly guaranteed by U.S. Government such as Ginnie Mae, GSEs such as Fannie Mae have implicit U.S. Government guarantees and therefore are considered to have credit risk and require disclosure of credit quality)					\$0.00
05	9999	Corporate Obligations					0.00
05	9999	Corporate Asset and Mortgage Backed Securities					0.00
05	9999	International Obligation					0.00
05	9999	Municipal Bonds					0.00
05	9999	Misc - Preferred Securities					0.00
TOTAL			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Not Rated							
05	9999	Corporate Asset and Mortgage Backed Securities					
05	9999	Misc - Preferred Securities					
TOTAL							\$0.00

NOTE 4: Short Term Debt

Lamar University has no short term debt as of August 31, 2013.

NOTE 5: Long Term Liabilities**Changes in Long-term Liabilities**

During the year ended August 31, 2013 the following changes occurred in long-term liabilities:

Business Type Activities	Balance 09/01/12	Additions	Reductions	Balance 08/31/13	Due Within One Year
Deposit Payable	\$ 74,927.09	\$ 94,545.38	\$ 46,030.00	\$ 123,442.47	\$ 18,516.37
Employees' Compensable Leave	2,663,363.53	2,263,952.34	2,363,644.11	2,563,671.76	384,550.76
Total Long-Term Liabilities	\$2,747,918.67	\$2,468,863.99	\$2,478,492.04	\$2,738,290.62	\$ 403,067.13

Employees' Compensable Leave

See Note 1 for discussion of Employees' Compensable Leave.

Bonds Payable

See Note 6 for a discussion of Bonds Payable.

Unaudited

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	2014	\$ 5,907,748.14	\$ 5,843,132.26	\$ 11,750,880.40
	2015	6,173,786.76	5,551,041.54	11,724,828.30
	2016	6,442,971.59	5,271,849.82	11,714,821.41
	2017-2021	35,714,414.57	21,417,751.86	57,132,166.43
	2022-2026	37,405,375.43	12,372,806.26	49,778,181.69
	2027-2031	22,525,000.00	4,071,837.50	26,596,837.50
	2032-2036	4,480,000.00	397,350.00	4,877,350.00
	2037-2041	-	-	-
	2042-2043	-	-	-
	TOTALS	\$118,649,296.49	\$54,925,769.24	\$173,575,065.73

Unaudited

A portion of the debt represents Tuition Revenue Bonds historically funded by the Texas Legislature through General Revenue Appropriations. The institution was appropriated \$2,439,110.00 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, 2013.

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 Leases:

Fund Type	Amount
General Fund	826,897.58

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	
2014	\$1,072,727.44
2015	1,069,670.17
2016	1,016,186.66
2017	1,013,290.53
2018	1,010,402.65
2019-2023	2,787,350.91
2024-2025	607,108.96
Total Minimum Future Lease Rental Payments	\$8,576,737.32

Capital Leases

Lamar University has no capital leases as of August 31, 2013.

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

Unaudited

available to certain eligible employees. The contributions made by plan members and employers for the fiscal year ended 08/31/13 are:

	Year Ended August 31, 2013
Member Contributions	\$ 2,016,370.68
Employer Contributions	2,138,941.18
Total	\$ 4,155,311.86

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 experience routine transfers with other state agencies, which 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 at August 31, 2013 follows:

Unaudited

Current Portion	Due From	Due To	Purpose
Designated Funds	11,734,691.95		Interfund Loan
Auxiliary Funds		9,100,000.00	Interfund Loan
Restricted Funds	1,708,304.08		Interfund Loan
Loan Funds		2,500,000.00	Interfund Loan
Endowment Funds		1,708,904.08	Interfund Loan
Unexpended Plant Funds		134,091.95	Interfund Loan
Total Due From/To Other Funds	13,442,996.03	13,442,996.03	

	Due From	Due To	Source
Agency 789, D23, Fund 0001	22,928.65		General Revenue
Agency 608, D23, Fund 5015	596.51		Shared Cash
Agency 788, D23, Fund 7999	13,565.28		Local Funds
Agency 789, D23, Fund 7999	533,437.43		Local Funds
Agency 530, D23, Fund 7999	60,155.55		Local Funds
Agency 730, D23, Fund 7999	12,816.92		Local Funds
Agency 755, D23, Fund 7999	347,948.00		Local Funds
Agency 712, D23, Fund 0001		3,470.45	General Revenue
Agency 721, D23, Fund 7999		53,733.29	General Revenue
Agency 754, D23, Fund 7999		988.65	Loan Funds
Agency 758, D23, Fund 7999		179,642.43	Loan Funds
Agency 758, D23, Fund 7999		7,553,881.62	Endowment Funds
Agency 787, D23, Fund 7999		600.00	Local Funds
Agency 789, D23, Fund 7999		8,562.02	Local Funds
Total Due From/To Other Agencies (Exh A)	991,448.34	7,800,878.46	

	Legislative TRANSFERS IN	Legislative TRANSFERS OUT
General Revenue (01) TRB		2,438,894.84
Total Legislative Transfers	0.00	2,438,894.84

	TRANSFERS IN	TRANSFERS OUT	SOURCE
Agency 758 , D23, Fund 7999	3,000,000.00		Bond Proceeds
Agency 347 , D23, Fund 0001		826,897.58	General Revenue
Agency 758 , D23, Fund 7999		672,885.00	Designated Funds
Agency 781, D23, Fund 7999		1,534,835.92	Be On Time Program
Agency 758 , D23, Fund 7999		128,576.22	Designated Funds
Agency 758, D23, Fund 7999		9,094,415.84	Auxiliary Funds
Total Transfers	3,000,000.00	12,257,610.56	

Unaudited

NOTE 13: Continuance Subject to Review

Lamar University is not subject to a review of continuance.

NOTE 14: Adjustments to Fund Balances/Net Assets

Lamar University has adjustments to the Beginning Fund Balances and Net Assets in the amount of \$49,623.48 due to adjustments in capital assets.

NOTE 15: Contingent Liabilities

At August 31, 2013 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, 2013, there were two (2) lawsuits and claims involving Lamar University. At August 31, 2013, two (2) lawsuits and claims involving Lamar University were pending.

NOTE 16: Subsequent Events

Lamar University does not have any subsequent events for fiscal year August 31, 2013.

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, 2013 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

Unaudited

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
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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
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The Lamar University Foundation is a nonprofit organization with the sole purpose of supporting educational activities of Lamar University. The Foundation is not considered a component unit of the university. The Foundation is a Related Organization.

The Foundation solicits donations and acts as coordinator of gifts made by other parties. The Foundation remitted restricted gifts of \$1,175,586.46 to the University during the year ended August 31, 2013. 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, \$214,803.19. Accounts receivable of \$371,134.71 are due from the Foundation at August 31, 2013.

NOTE 20: Stewardship, Compliance and Accountability
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Not used

NOTE 21: N/A- Not Applicable to the Reporting Requirement Process
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Unaudited

NOTE 22: Donor-Restricted Endowments

The net appreciation (cumulative and unexpended) on donor-restricted endowments present below is available for authorization and expenditure for Lamar University. The University's spending policy for endowments reflects an objective to distribute as much of the total return as is consistent with overall investment objectives while protecting the real value of the endowment corpus.

Donor-Restricted Endowments (In Thousands)

<u>Donor-Restricted Endowment</u>	<u>Amounts of Net Appreciation</u>	<u>Reported in Net Assets</u>
True Endowments	\$ 0.00	Restricted for Nonexpendable
Term Endowments	0.00	Restricted for Nonexpendable
True Endowments	2,703,796.08	Restricted for Expendable
Total Restricted Endowments	<u>\$2,703,796.08</u>	

The University endowment investment income spending policy is a percent return on fair market value at August 31st of each year for the next year. The authorization for the fiscal year ended August 31, 2013 was 5%.

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, 2013, 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 \$5,453,126.73.

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, 2013 are comprised of the following:

Federal Receivables

Instruction	\$ 233,602.19
Research	298,651.70
Public Service	58,973.79
Academic Support	29,725.91

Unaudited

Student Services	26,890.65
Scholarship	380,006.38
Loans	853,438.00
Institutional Support	
TOTAL FEDERAL RECEIVABLES	<u><u>\$ 1,881,288.62</u></u>

Other Receivables

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

Other Payable

Educational and General	\$ 283,954.65
Designated	41,814.15
Auxiliary Enterprises	13,102.55
Restricted	6,399.33
Loan Fund	16,581.01
TOTAL OTHER PAYABLES	<u><u>\$ 361,851.69</u></u>

NOTE 25: Termination Benefits

Lamar University has no termination benefits to report as of August 31, 2013.

NOTE 26: Segment Information

Lamar University has no segments to report as of August 31, 2013.

UNAUDITED

Agency 734 - Lamar University
 Schedule 1A
 For the Fiscal Year Ended August 31, 2013

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	CFDA 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 Non-State Entities Amount	Expenditures Amount	
U.S. Department of Agriculture Pass-Through From: Grants for Agricultural Research, Special Research Grants Pass-Through From: Sul Ross State University	10.200		756	\$ -	\$ -	\$ -	\$ 47,060.64		\$ -	\$ -	\$ 47,060.64
Totals - U.S. Department of Agriculture			756	\$ 47,060.64	\$ -	\$ -	\$ 47,060.64		\$ -	\$ -	\$ 47,060.64
U.S. Department of Commerce Direct Programs: Economic Development—Technical Assistance	11.303			\$ -	\$ -	\$ 99,591.36	\$ 99,591.36		\$ -	\$ -	\$ 99,591.36
Totals - U.S. Department of Commerce				\$ -	\$ -	\$ 99,591.36	\$ 99,591.36		\$ -	\$ -	\$ 99,591.36
U.S. Department of Defense											
U.S. Department of Defense	12.000	JSJ Technologies LLC / WM911NF-12-C0005		\$ -	\$ 145,376.10	\$ -	\$ 145,376.10		\$ -	\$ -	\$ 145,376.10
Direct Programs:											
U.S. Department of Defense	12.000	WM9113M-05-C1087			282,207.03	282,207.03	282,207.03				282,207.03
U.S. Department of Defense	12.000	WM9113M-10-C-0007			75,707.37	75,707.37	75,707.37		10,000.00		75,707.37
Pass-Through To: Texas State University - San Marcos	12.000				98,282.30	98,282.30	98,282.30				98,282.30
Pass-Through From: Basic, Applied, and Advanced Research in Science and Engineering Pass-Through From: Sam Houston State University		WM9113M-05-C1087		754.00					98,282.30		
Totals - U.S. Department of Defense										21,856.29	21,856.29
Basic, Applied, and Advanced Research in Science and Engineering Pass-Through From: Sul Ross State University	12.630		756	21,856.29			21,856.29				21,856.29
Totals - U.S. Department of Defense			756	89,802.37			89,802.37				89,802.37
Totals - U.S. Department of Defense				\$ 111,658.66	\$ 145,376.10	\$ 456,196.70	\$ 713,231.46		\$ 10,000.00	\$ 604,949.16	\$ 713,231.46
National Aeronautics and Space Administration Pass-Through From: Aerospace Education Services Program Pass-Through From: University of Texas at Austin	43.001		721	\$ -	\$ -	\$ -	\$ 2,902.88		\$ -	\$ -	\$ 2,902.88

UNAUDITED

Agency 734 - Lamar University
 Schedule 1A
 For the Fiscal Year Ended August 31, 2013

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Pass-through From		Agy/ Univ No	Direct Program Amount	PT From and Direct Prog. Amount	Total PT From and Direct Prog. Amount	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	
Totals - National Aeronautics and Space Administration			\$ 2,902.88	\$ -		\$ -	\$ -	\$ 2,902.88	\$ -	\$ -	\$ 2,902.88
National Endowment For The Humanities			\$ -	\$ -		\$ 9,314.01	\$ 9,314.01	\$ 9,314.01	\$ -	\$ -	\$ 9,314.01
Direct Programs: Promotion of the Arts_Grants to Organizations and Individuals	45,024		\$ -	\$ -		\$ 9,314.01	\$ 9,314.01	\$ 9,314.01	\$ -	\$ -	\$ 9,314.01
Totals - National Endowment For The Humanities			\$ -	\$ -		\$ 9,314.01	\$ 9,314.01	\$ 9,314.01	\$ -	\$ -	\$ 9,314.01
National Science Foundation			\$ -	\$ 12,031.50		\$ -	\$ 12,031.50	\$ 12,031.50	\$ -	\$ -	\$ 12,031.50
Mathematical and Physical Sciences	47,049	University of North Carolina at Chapel Hill/ 232034	\$ -	\$ 12,031.50		\$ -	\$ 12,031.50	\$ 12,031.50	\$ -	\$ -	\$ 12,031.50
Direct Programs: Engineering Grants	47,041		\$ -	\$ -		\$ 212,092.03	\$ 212,092.03	\$ 212,092.03	\$ -	\$ -	\$ 212,092.03
Education and Human Resources	47,076		\$ -	\$ -		\$ 298,411.62	\$ 298,411.62	\$ 298,411.62	\$ -	\$ -	\$ 298,411.62
Totals - National Science Foundation			\$ -	\$ 12,031.50		\$ 510,503.65	\$ 522,535.15	\$ 522,535.15	\$ -	\$ -	\$ 522,535.15
Small Business Administration			\$ -	\$ -	730	\$ -	\$ -	\$ 104,042.25	\$ -	\$ -	\$ 104,042.25
Pass-Through From: Small Business Development Centers	59,037		\$ -	\$ -		\$ -	\$ -	\$ 104,042.25	\$ -	\$ -	\$ 104,042.25
Pass-Through From: University of Houston Administration			\$ 104,042.25	\$ -		\$ -	\$ -	\$ 104,042.25	\$ -	\$ -	\$ 104,042.25
Environmental Protection Agency			\$ -	\$ -	305	\$ -	\$ -	\$ 35,805.50	\$ -	\$ -	\$ 35,805.50
Beach Monitoring and Notification Program Implementation Grants	66,472		\$ -	\$ -		\$ -	\$ -	\$ 35,805.50	\$ -	\$ -	\$ 35,805.50
Pass-Through From: General Land Office			\$ 35,805.50	\$ -		\$ -	\$ -	\$ 35,805.50	\$ -	\$ -	\$ 35,805.50
Totals - Environmental Protection Agency			\$ 35,805.50	\$ -		\$ -	\$ -	\$ 35,805.50	\$ -	\$ -	\$ 35,805.50
U.S. Department of Education			\$ -	\$ 3,971.90		\$ -	\$ 3,971.90	\$ 3,971.90	\$ -	\$ -	\$ 3,971.90
Fund for the Improvement of Postsecondary Education	84,116	University of Louisiana Lafayette/231060	\$ -	\$ 3,971.90		\$ -	\$ 3,971.90	\$ 3,971.90	\$ -	\$ -	\$ 3,971.90
Direct Programs: Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84,325		\$ -	\$ -		\$ 242,229.48	\$ 242,229.48	\$ 242,229.48	\$ -	\$ -	\$ 242,229.48
Pass-Through From:			\$ -	\$ -		\$ 242,229.48	\$ 242,229.48	\$ 242,229.48	\$ -	\$ -	\$ 242,229.48

Agency 734 - Lamar University
 Schedule 1A
 For the Fiscal Year Ended August 31, 2013

UNAUDITED

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	
				Agencies or Universities Amount	Pass-through From Non- State Entities Amount				To Agencies or Universities Amount	Pass-through To Non-State Entities Amount		
Pass-Through From:												
Temporary Assistance for Needy Families	93.558		320	\$ -	\$ -	\$ -	\$ 99,335.13	-	\$ -	\$ -	\$ 99,335.13	
Pass-Through From:												
Texas Workforce Commission				\$ 99,335.13	\$ -	\$ -	\$ 99,335.13	-	\$ -	\$ -	\$ 99,335.13	
Totals - U.S. Department of Health and Human Services												
				\$ 99,335.13	\$ -	\$ -	\$ 99,335.13	-	\$ -	\$ -	\$ 99,335.13	
TRIO Cluster												
U.S. Department of Education												
Direct Programs:												
TRIO Student Support Services	84.042			\$ -	\$ -	\$ 216,639.86	\$ 216,639.86	-	\$ -	\$ -	\$ 216,639.86	
TRIO McNair Post-Baccalaureate Achievement	84.217			\$ -	\$ -	\$ 210,579.78	\$ 210,579.78	-	\$ -	\$ -	\$ 210,579.78	
Totals - U.S. Department of Education												
				\$ -	\$ -	\$ 427,219.64	\$ 427,219.64	-	\$ -	\$ -	\$ 427,219.64	
Total Expenditures of Federal Awards												
				\$ 554,336.98	\$ 161,379.50	\$ 102,150,829.77	\$ 102,866,546.25	-	\$ 10,000.00	\$ 102,756,263.95	\$ 102,866,546.25	

UNAUDITED

Agency 734 - Lamar University
 Schedule 1A
 For the Fiscal Year Ended August 31, 2013

Note 1: Non-Monetary Assistance
 Non-monetary Federal assistance received during the current fiscal year was zero.

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) \$ 21,482,369.65
 Proprietary Funds - Federal Revenue (Operating Statement)
 Less Reconciling Items:

Non-Monetary Programs	-
Federal Commodities	-
Federal Surplus Property	-
New Loans Processed:	
Federal Family Education Loans	2,450,647.60
Federal Perkins Loan Program	78,874.00
Federal Direct Student Loans	78,854,655.00
Total Pass-Through & Expenditures Per Federal Schedule	\$ 102,866,546.25

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				
84.032 Federal Family Education Loans	\$ 2,450,647.60	\$ -	\$ -	-
84.038 Federal Perkins Loan Program	78,874.00	-	-	892,718.25
84.268 Federal Direct Student Loans	78,854,655.00	-	-	-
Total Department of Education	\$ 81,384,176.60	\$ -	\$ -	\$ 892,718.25

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.

Unaudited

Lamar University (734)
Schedule 1B
Schedule of State Grant Pass-Throughs From/To State Agencies
For the Year Ended August 31, 2013

Pass Through From:

Texas Commission on Environmental Quality (Agy. # 582)		
Photochemical Modeling Emmissions Inventory Data	\$	19,873.12
Texas Education Agency (Agy. #701)		
TALH Per Capita		25,990.00
TALH Formula		93,810.00
University of Texas System (Agy. #720)		
Joint Admission Medical Program (JAMP)		10,868.99
Texas Higher Education Coordinating Board (Agy. # 781)		
TEXAS Grant Program		4,485,000.00
Professional Nursing Shortage Reduction Program		18,063.00
Promote Participation and Success		6,000.00
College Work Study Program		55,069.00
Top 10% Scholarships		198,978.00
Total Pass Through From Other Agencies (Exh II)	\$	<u>4,913,652.11</u>

Pass Thru To:

Texas A&M University (Main University) (Agy. #711)		
Cyanide Remediation: Evolving Improved Enzymes	\$	25,000.00
Implementation of Particle Size Magnification for Analysis of sub-4nm Nanoparticles		21,579.70
Component Based Particle Matter Risk Assessment for TARC		27,080.49
Texas Engineering Experiment Station (Agy. #712)		
Modeling Land Application of High Salinity Wastewaters		23,900.78
An Integrated Approach to the Assessment and Optimization of Water Usage and Discharge of Biorefineries in the State of Texas		9,563.73
A 3D Eulerian Modeling Study of Ozone and Secondary Organic Aerosol Formation in Texas Using the Master Chemical Mechanism		34,871.51

Unaudited

Lamar University (734)
Schedule 1B
Schedule of State Grant Pass-Throughs From/To State Agencies
For the Year Ended August 31, 2013

University of Texas (Agy. # 721)	
The Water-Energy Nexus: The Relationship Among Phosphorus Limitation Extracellular Polymeric Substances (EPS) Production, and Headloss in Biologically Active Drinking	29,442.13
Atmospheric Chlorine Chemistry in the Dallas-Fort Worth Region	54,668.02
Assessing Available Water and Degradation in La. Marsh 2 yrs after Deepwater Horizon	30,173.48
Environmental Chamber Experiments to Evaluate Nox Recycling and the Effects of Organic	26,091.23
The Contribution of Policy Relevant Background (PRB) Ozone to TARC	26,090.33
University of Houston (Agy. # 730)	
Tailoring Nanoporous Sorbents for Waste Water Treatment	8,582.40
Tracking Emissions from On-Road Vehicles: Developing Metal Tracers Based on Measurements in the Washburn Tunnel	76,957.40
Subsurface Multiphase Flow Characteristics of Bioalcohol Fuels and Groundwater Quality	16,736.93
Controlling Colloidal Fouling by Electroflotation Pretreatment to Minimize Water Stream Volumes from Membrane Facilities	24,031.05
Analysis of Vertical Ozone Distribution in SE Texas Using Advanced WRF/CMAQ Modeling Tools	35,376.93
Total Pass Through To Other Agencies (Exh II)	<u>\$ 470,146.11</u>

UNAUDITED

Lamar University
Schedule 2E
Schedule of Defeased Bonds Outstanding
For the Year Ended August 31, 2013

Description of Issues	Year Refunded	Par Value Outstanding
		\$ -
Total Defeased Revenue Bonds		\$ -

Unaudited

Texas State University System
 Enter Institution Name here
 Schedule 3 - Reconciliation of Cash in State Treasury
 August 31, 2013

Cash in State Treasury	Unrestricted	Restricted	Current Year Total
Local Revenue Fund 0256	\$7,262,788.79		\$7,262,788.79
Departmental Suspense Fund 0900			
Correction Account for Direct Deposit Fund 0980			
Direct Deposit Hold - Transmitt Account Fund 0979			
Bill Blackwood Law Enforcement Management Institute Fund 0581			
Correctional Management Institute and Criminal Justice Center Fund 5083			
Total Cash in State Treasury (Stmnt of Net Assets)	\$7,262,788.79	\$0	\$7,262,788.79
			\$0.00

UNAUDITED

LAMAR UNIVERSITY - BEAUMONT
 SCHEDULE 4
 SCHEDULE OF HIGHER EDUCATION ASSISTANCE FUND
 For the Year Ended August 31, 2013

	CURRENT FUNDS		PLANT FUNDS		Total
	Educational and General	Designated	Unexpended	Retirement of Indebtedness	
Balances - September 1, 2012	\$ 303,122.78	\$ -	\$ 8,697,085.42	\$ -	9,000,208.20
Revenues					
Appropriations	\$ 8,330,933.00				\$ 8,330,933.00
Adjustment to Prior Years Appropriation					
Total Revenues	\$ 8,330,933.00	\$ -	\$ -	\$ -	\$ 8,330,933.00
Expenditures					
Salaries and Wages	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenses	3,074,168.41		430,595.04		3,504,763.45
Capital Outlay	1,047,373.05				1,047,373.05
Construction in Progress			4,003,349.85		4,003,349.85
Bonds Retired					
Interest Expense					
Other Equipment					
Total Expenditures	\$ 4,121,541.46	\$ -	\$ 4,433,944.89	\$ -	\$ 8,555,486.35
Transfers:					
Mandatory:					
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -
Other					
Non-mandatory Transfers	(4,259,700.14)		4,259,700.14		-
Transfers From/(To) Other Agencies					
Total Transfers	\$ (4,259,700.14)	\$ -	\$ 4,259,700.14	\$ -	\$ -
Balances - August 31, 2013	\$ 252,814.18	\$ -	\$ 8,522,840.67	\$ -	\$ 8,775,654.85
Balances - August 31, 2013					
Consists of:					
Encumbrances			\$ 1,748,737.85		\$ 1,748,737.85
Reserved for HEAF Projects	252,814.18		6,774,102.82		7,026,917.00
Total Balances - August 31, 2013	\$ 252,814.18	\$ -	\$ 8,522,840.67	\$ -	\$ 8,775,654.85

Agency 734 - Lamar University
Fund Type 05

Unaudited

Line Number	Direct Strategy	OASI Appn 91142	Retirement Appn 90327	Article III Only Appn 91746	Insurance (HE non sell insured only) Appn 90327	Self-insured HE only) Appn 95602	(Agency only) Longevity Appn 23102	Other	Calc Per Source	Adjustments	Amount as Adjusted
	E	C	D	E	F	G	H	J	K	L	M
100100	\$ 9,233,923.20	\$ 301,125.48	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,535,048.68	\$ -	\$ 9,535,048.68
100500	\$ 35,273,575.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,273,575.00	\$ -	\$ 35,273,575.00
100500	\$ 35,273,575.00	\$ 301,125.48	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,273,575.00	\$ -	\$ 35,273,575.00
200100		2,293,466.05							2,293,466.05		2,293,466.05
200200				856,976.46					856,976.46		856,976.46
200300											
200400											
200500											
200600											
200700											
200800											
300100											
300200											
400100			1,448,703.27		6,075,350.43			103,841.39	1,448,703.27		1,448,703.27
400200									6,075,350.43		6,075,350.43
400300									103,841.39		103,841.39
400500		2,293,466.05	1,448,703.27	856,976.46	6,075,350.43			103,841.39	10,779,337.60		10,779,337.60
400500			\$(1,448,703.27)		\$(6,075,350.43)			\$(103,841.39)	\$(7,627,895.09)		\$(7,627,895.09)
500000	8,330,933.00								8,330,933.00		8,330,933.00
500100											
500200											
500300											
500400	(2,438,894.84)								(2,438,894.84)		(2,438,894.84)
500500											
500100	(215.16)								(215.16)		(215.16)
600200	(41,623,666.35)	(2,594,591.53)		(856,976.46)					(45,075,234.34)		(45,075,234.34)
600300											
600400											
600500	\$(41,623,666.35)	\$(2,594,591.53)		\$(856,976.46)					\$(44,210,257.89)		\$(44,210,257.89)
600500	\$ 8,775,654.85	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,775,654.85	\$ -	\$ 8,775,654.85
700100	8,775,654.85								8,775,654.85		8,775,654.85
700200											
700300											
700700											
700400											
700500											
700600											
700800											
700900											
701000											
701100											
701200											
900000											
	\$ 8,775,654.85	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,775,654.85	\$ -	\$ 8,775,654.85
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Payments on behalf of agency (This agency below will provide this data)

Retirement Contribution Ag-ERS(327) HE=TRIS(323)
Group Insurance Contribution (HIED non sell Insur-ERS)
Unemployment Contribution (TWC)

Total Additional Legislative Appn Revenue (lines 14 through 31)

Payroll Related Costs (sum of lines 28 to 31)

Appropriation Legislative Transfers
Higher Education Assistance Fund Distribution
ERP transfers within this agency
Salary/Longevity Increase transfers within the agency
Committed Budget Transfers In
Committed Budget Transfers Out

Other Line Adjustments (FRS entry only)

Committed Appropriations Lapsed

Net Change in Cash

Appropriated Net Change in Cash (Column B through I Activity)
Unapported Net Change in Cash (Appn 00000, 99906-9)
EFF-Earned Federal Funds (Appn 700000)
Other Net Change in Cash (Appn 90022-3, 94992)

Total Net Change in Cash

Computed Leg Appn for Balance Sheet (Asset Bal 0/31)

Calculation I)

Legislative Appn Balance - at August 31
OASI Payable at 8/31
Retirement Payable at 8/31
ERP Payable at 8/31
Insurance Payable at 8/31
Group Insurance Program (GIP) payable at 8/31
BRP Appropriation Adjustment
Salary/Longevity Increase Adjustment
Other-APS 001 Adjustments
Unappropriation Net Change in Cash (Appn 00000, 99906-8)
Earned Fed Funds Net Change in Cash (Appn 700000)
Other Net Changes in Cash (Appn 90022-3, 94992)
Other Line Adjustments (FRS entry)

Computed Leg Appn FYCY (Asset Bal 0/31)

Difference between Calc I and Calc II

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