



LAMAR UNIVERSITY

A Member of The Texas State University System

ANNUAL FINANCIAL REPORT

FISCAL YEAR 2012
(September 1, 2011 - August 31, 2012)

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	36
2E Defeased Bonds Outstanding	39
3 Reconciliation of Cash in State Treasury	40
4 Higher Education Assistance Fund	41
General Revenue Reconciliation.....	42

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LAMAR UNIVERSITY
A Member of The Texas State University System

November 20, 2012

Dr. James M. Simmons
President
Lamar University
PO Box 10001
Beaumont, TX 77710-0001

Dear Dr. Simmons:

Submitted herein is the Annual Financial Report of Lamar University for fiscal year ended August 31, 2012.

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. Gregg Lassen
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, 2012

The Texas State University System

BOARD OF REGENTS

OFFICERS

Charlie Amato	Chairman
Donna N. Williams	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
Trisha S. Pollard	2/1/2013	Bellaire
Rossanna Salazar	2/1/2017	Austin
William F. Scott	2/1/2017	Nederland
Donna N. Williams	2/1/2011	Dallas
Andrew Greenberg, Studen	2/1/2013	Beaumont

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
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. James M. Simmons	President
Dr. Stephen A. Doblin	Provost and Vice President for Academic Affairs
Dr. Gregg E. Lassen	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, 2012

TYPE OF STUDENT	NUMBER OF STUDENTS BY SEMESTER			
	FALL 2011	SPRING 2012	SUMMER TERM 2012	
			FIRST	SECOND
Texas Residents	12,128	11,088	2,932	3,060
Out of State (Classified as Residents)				
Out of State	248	268	120	125
Foreign	501	444	140	145
Children of Disabled				
Concurrent Enrollment	19	18	24	20
Foster Children of the State	19	20	5	6
Good Neighbor	4	4		
High School Honor Scholarships	13	12	2	1
High Ranking Senior				
Hazelwood Act	288	313	115	119
Senior Citizens	3	3		
Commission for the Blind/Deaf	64	71	22	22
Fireman Exempt	4	2		
Thesis Only				
Student Service Fees				
Nursing				
Faculty/Staff	2	2		
Teaching Assistants	1	1		
Competitive Scholarships	522	483	150	156
Military Personnel	9	7	2	1
Louisiana Adjacent County				
Mexico Pilot				
National Student Exchange Program				
New Mexico Adjacent County				
Texas Tomorrow Waiver				
Adopted Students	34	30	4	6
Military Dependent				
Pase				
TANF				
H.B. 877				
Distance Learning				
Family & Consumer Science Alliance Agreement				
Clinical Preceptor Exempt	7	6	2	2
Beaumont-Louisiana Non-resident	155	174	58	60
UACH				
Early HS Grad				
TAPS Tuition Voucher 54.2111				
TDCJ-54.218 Education Code				
Trio Grant Math 0301				
HB 1406 Non US Citizen				
Totals	14,021	12,946	3,576	3,723

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Lamar University
Student Enrollment Data
For the Year Ended August 31, 2012

Fiscal Year	Enrollment Data (Fall Semester)	
	STUDENTS	SEMESTER HOURS
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

Unaudited

Texas State University System
Lamar University
Statement of Net Assets
August 31, 2012

	Total
ASSETS AND DEFERRED OUTFLOWS	
Current Assets:	
Cash and Cash Equivalents	
Cash on Hand	\$ 18,000.00
Cash in Bank	4,938,641.43
Cash in Transit/Reimburse from Treasury	437,451.84
Cash in State Treasury	7,845,097.86 (schedule 3)
Cash Equivalents	27,504,004.04
Securities Lending Collateral	
Short Term Investments	
Restricted:	
Cash and Cash Equivalents	
Cash on Hand	
Cash in Bank	51,706.48
Cash in Transit/Reimburse from Treasury	
Cash in State Treasury	(schedule 3)
Cash Equivalents	
Short Term Investments	
Legislative Appropriations	9,535,048.68
Investments	
Receivables:	
Federal	5,130,395.39
Other Intergovernmental	
Interest and Dividends	
Accounts	22,166,087.04
Gifts	3,100,000.00
Investment Trades	
Other	2,431,834.31
Interfund Receivable	14,241,891.47
Due From Other Agencies	244,836.07
Consumable Inventories	
Merchandise Inventories	158,582.44
Prepaid Items	8,259,356.31
Loans and Contracts	2,557,601.82
Other Current Assets	
Total Current Assets	\$ 108,620,535.18

Unaudited

Texas State University System
Lamar University
Statement of Net Assets
August 31, 2012

	Total
Non-Current Assets and Deferred Outflows:	
Restricted:	
Cash and Cash Equivalents	
Cash on Hand	\$ -
Cash in Bank	234,415.79
Cash in Transit/Reimburse from Treasury	
Cash in State Treasury	
Cash Equivalents	16,767,219.99
Short Term Investments	
Receivables	
Investments	7,264,275.08
Loans and Contracts	
Other Assets	
Deferred Charges	
Loans and Contracts	
Investments	
Derivative Instrument Assets	
Deferred Outflow of Resources	
Interfund Receivables	
Capital Assets:	
Non-Depreciable:	
Land and Land Improvements	11,013,218.36
Infrastructure	
Construction in Progress	1,148,858.54
Other Capital Assets	2,004,665.50
Depreciable:	
Buildings and Building Improvements	249,654,041.41
Less Accumulated Depreciation	(112,170,447.49)
Infrastructure	17,106,486.90
Less Accumulated Depreciation	(10,947,730.96)
Facilities and Other Improvements	22,444,560.44
Less Accumulated Depreciation	(10,243,858.49)
Furniture and Equipment	21,444,932.44
Less Accumulated Depreciation	(13,877,355.84)
Vehicles, Boats, and Aircraft	1,143,894.18
Less Accumulated Depreciation	(757,499.17)
Other Capital Assets	22,619,834.05
Less Accumulated Depreciation	(18,434,145.06)
Amortizable Assets-Intangible	
Less Accumulated Amortization	
Other Non-Current Assets	
Total Non-Current Assets	\$ 206,415,365.67
Total Assets	\$ 315,035,900.85

Unaudited

Texas State University System
Lamar University
Statement of Net Assets
August 31, 2012

	Total
LIABILITIES AND DEFERRED INFLOWS	
Current Liabilities:	
Payables:	
Accounts	\$ 3,804,059.98
Investment Trades	
Payroll	7,020,193.11
Other Intergovernmental	
Federal	
Other	21,352.15
Interfund Payable	14,241,891.47
Due to Other Agencies	8,109,479.82
Deferred Revenues	47,793,092.22
Notes and Loans Payable	
Revenue Bonds Payable, Net	
General Obligation Bonds Payable, Net	
Claims and Judgments	
Employees' Compensable Leave	399,504.53
Capital Lease Obligations	
Liabilities Payable from Restricted Assets	
Obligations/Reverse Purchase Agreements	
Obligations Under Securities Lending	
Funds Held for Others	222,233.33
Other Current Liabilities	11,239.06
Total Current Liabilities	\$ 81,623,045.67
Non-Current Liabilities and Deferred Inflows:	
Interfund Payables	\$ -
Notes and Loans Payable	
Revenue Bonds Payable, Net	
General Obligation Bonds Payable, Net	
Derivative Instrument Liabilities	
Deferred Inflow of Resources	
Net OPEB Obligation	
Pollution Remediation Obligations	
Liabilities Payable from Restricted Assets	
Claims and Judgments	
Employees' Compensable Leave	2,263,859.00
Capital Lease Obligations	
Other Non-Current Liabilities	63,688.03
Total Non-Current Liabilities and Deferred Inflows	\$ 2,327,547.03
Total Liabilities and Deferred Inflows	\$ 83,950,592.70

Unaudited

Texas State University System
Lamar University
Statement of Net Assets
August 31, 2012

	Total
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	\$ 182,149,454.81
Restricted For	
Education	25,090,099.15
Debt Retirement	
Capital Projects	8,737,335.42
Employee Benefits	
Funds Held As Permanent Investments:	
Non-Expendable	12,987,999.13
Expendable	2,120,419.64
Other	
Unrestricted	25,090,099.15
Total Net Assets	\$ 231,085,308.15

Unaudited

Texas State University System
Lamar University
Statement of Revenues, Expenses, and Changes in Net Assets
For the Fiscal Year Ended August 31, 2012

	Total
OPERATING REVENUES	
Sales of Goods and Services	
Tuition and Fees (PR-Chgs for Services)	
Tuition and Fees - Pledged (PR-Chgs for Services)	\$ 94,127,370.49
Discounts and Allowances	(11,648,556.35)
Hospitals (PR-Chgs for Services)	
Hospitals - Pledged (PR-Chgs for Services)	
Discounts and Allowances	
Professional Fees (PR-Chgs for Services)	
Professional Fees - Pledged (PR-Chgs for Services)	
Discounts and Allowances	
Auxiliary Enterprises (PR-Chgs for Services)	18,819,787.63
Auxiliary Enterprises - Pledged (PR-Chgs for Services)	
Discounts and Allowances	
Other Sales of Goods and Services	3,168,885.61
Other Sales of Goods and Services - Pledged	
Discounts and Allowances	
Interest and Investment Income (PR-Chgs for Services)	
Interest and Investment Income (GR) Pledged	
Net Increase (Decrease) Fair Market Value (PR-OP Grants/Contributions)	
Net Increase (Decrease) Fair Market Value (GR) - Pledged	
Federal Revenue-Operating (PR-OP Grants/Contributions)	4,790,734.35
Federal Pass-Through Revenue (PR-OP Grants/Contributions)	859,373.65
State Grant Revenue (PR-OP Grants/Contributions)	114,309.55
State Grant Pass-Through Revenue (PR-OP Grants/Contributions)	5,232,310.93
Other Grants and Contracts (PR-OP Grants/Contributions)	817,047.23
Other Grants and Contracts (PR-OP Grants/Contributions) - Pledged	
Contributions to Retirement Systems (PR-Chgs for Services)	
Other Operating Revenues (PR-Chgs for Services)	2,676,201.86
Other Operating Revenues (GR) - Pledged	
Total Operating Revenues	\$ 118,957,464.95
OPERATING EXPENSES	
Instruction	\$ 52,428,007.69
Research	5,232,639.40
Hospitals and Clinics	
Public Service	1,347,101.24
Academic Support	25,724,422.83
Student Services	5,980,670.05
Institutional Support	19,653,865.86
Operation and Maintenance of Plant	10,039,782.12
Scholarship and Fellowships	24,234,123.73
Auxiliary Enterprise Expenditures	27,361,646.53
Depreciation and Amortization	9,402,120.29
Total Operating Expenses	\$ 181,404,379.74
Operating Income (Loss)	\$ (62,446,914.79)

Unaudited

Texas State University System
Lamar University
Statement of Revenues, Expenses, and Changes in Net Assets
For the Fiscal Year Ended August 31, 2012

	Total
NONOPERATING REVENUES (EXPENSES):	
Legislative Revenue (GR)	\$ 35,576,330.00
Additional Appropriations (GR)	12,184,297.96
Federal Revenue (PR-OP Grants/Contributions)	18,686,847.39
Federal Pass-Through Revenue (PR-OP Grants/Contributions)	272,609.96
Gifts (PR-OP Grants/Contributions)	8,718,836.95
Interest and Investment Income (Expense) (PR-OP Grants/Contributions)	803,040.68
Interest and Investment Income (Expense) (GR) - Pledged	
Loan Premium/Fees Securities Lending (PR-OP Grants/Contributions)	
Investing Activities Expenses	
Interest Expenses and Fiscal Charges	
Borrower Rebates and Agent Fees	
Gain (Loss) on Sale of Capital Assets (GR)	(22,618.66)
Net Increase (Decrease) in Fair Value of Investments (PR-OP Grants/Contributions)	(103,929.80)
Net Increase (Decrease) in Fair Value of Investments (GR) - Pledged	
Settlement of Claims (PR-Chgs for Services)	
Settlement of Claims (GR) - Pledged	
Other Nonoperating Revenues (Expenses) (PR-Chgs for Services)	608,037.54
Other Nonoperating Expenses (GR)	
Total Nonoperating Revenues (Expenses)	<u>\$ 76,723,452.02</u>
Income (Loss) before Other Revenues, Expenses, Gains/Losses and Transfers	\$ 14,276,537.23
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	5,036.81
Decrease NA Interagency Transfer Capital Assets	
Transfer In	
Transfer Out	(11,669,238.10)
Legislative Transfer In	
Legislative Transfer Out	(2,508,276.29)
Lapses	(0.71)
Total Other Revenues, Expenses, Gains/Losses and Transfers	<u>\$ (5,841,545.29)</u>
CHANGE IN NET ASSETS	<u>\$ 8,434,991.94</u>
Net Assets, September 1, 2011	\$ 222,703,740.86
Restatements	<u>(53,424.65)</u>
Net Assets, September 1, 2011, as Restated	<u>\$ 222,650,316.21</u>
NET ASSETS, August 31, 2012	<u><u>\$ 231,085,308.15</u></u>

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Texas State University System
Lamar University
Statement of Cash Flows
For the Fiscal Year Ended August 31, 2012

	Total
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	\$ 3,168,885.61
Proceeds from Tuition and Fees	79,622,812.86
Proceeds from Research Grants and Contracts	10,592,608.72
Proceeds from Gifts	
Proceeds from Loan Programs	
Proceeds from Auxiliaries	18,819,787.63
Proceeds from Other Revenues	2,676,201.86
Payments to Suppliers for Goods and Services	(46,029,469.00)
Payments to Employees for Salaries	(73,144,861.03)
Payments to Employees for Benefits	(22,306,981.64)
Payments for Loans Provided	
Payments for Other Expenses	(26,763,997.86)
Net Cash Provided by Operating Activities	\$ (53,365,012.85)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Proceeds from Debt Issuance	\$ -
Proceeds from State Appropriations	61,216,114.02
Proceeds from Gifts	8,764,893.78
Proceeds from Endowments	
Proceeds of Transfers from Other Funds	
Proceeds from Grant Receipts	18,959,457.35
Proceeds from Advances from Other Funds	
Proceeds from Loan Programs	
Proceeds from Other Financing Activities	
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	(723,621.10)
Net Cash Provided by Noncapital Financing Activities	\$ 88,216,844.05
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from the Sale of Capital Assets	\$ (22,618.66)
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	(2,887,044.17)
Payments of Principal on Debt	(11,674,229.32)
Payments for Capital Lease	
Payments of Interest on Debt Issuance	
Payments of Other Costs of Debt Issuance	
Net Cash Provided by Capital and Related Financing Activities	\$ (14,583,892.15)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales of Investments	\$ -
Proceeds from Interest Income	79,490.58
Proceeds from Investment Income	
Proceeds from Principal Payments on Loans	

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Texas State University System
Lamar University
Statement of Cash Flows
For the Fiscal Year Ended August 31, 2012

	Total
Payments to Acquire Investments	
Net Cash Provided by Investing Activities	\$ 79,490.58
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 20,347,429.63
Cash and Cash Equivalents, September 1, 2011	37,449,107.80
Changes in Accounting Principle	
Changes in Reporting Entity	
Restatements to Beginning Cash and Cash Equivalents	
Cash and Cash Equivalents, September 1, 2011 - Restated	\$ 37,449,107.80
Cash and Cash Equivalents, August 31, 2012	\$ 57,796,537.43
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income (Loss)	\$ (62,446,914.79)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Amortization and Depreciation	9,402,120.29
Bad Debt Expense	
Operating Income (Loss) and Cash Flow Categories: Classification Differences	
Changes in Assets and Liabilities:	
(Increase) Decrease in Receivables	(7,018,398.85)
(Increase) Decrease in Due from Other Funds	
(Increase) Decrease in Inventories	705.36
(Increase) Decrease in Prepaid Expenses	145,080.34
(Increase) Decrease in Notes Receivable	(797,874.29)
(Increase) Decrease in Loans & Contracts	
(Increase) Decrease in Other Assets	
(Increase) Decrease in State Appropriations	
Increase (Decrease) in Payables	(1,725,843.55)
Increase (Decrease) in Deposits	(9,081.35)
Increase (Decrease) in Due to Other Funds	
Increase (Decrease) in Deferred Income	9,085,740.69
Increase (Decrease) in Compensated Absence Liability	(546.70)
Increase (Decrease) in Benefits Payable	
Increase (Decrease) in Other Liabilities	
Total Adjustments	9,081,901.94
Net Cash Provided by Operating Activities	\$ (53,365,012.85)
Non Cash Transactions	
Donation of Capital Assets	\$ 234,301.71
Net Change in Fair Value of Investments	(103,929.80)
Borrowing Under Capital Lease Purchase	
Other	

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LAMAR UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS

August 31, 2012

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.

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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*.

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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.

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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, 2012 is presented below:

	PRIMARY GOVERNMENT						Balance 08/31/12
	Balance 09/01/11	Adjustments	Completed CIP	Transfers Inc/(Decrease)	Additions	Deletions	
BUSINESS-TYPE ACTIVITIES							
Non-Depreciable Assets							
Land and Land Improvements	10,854,606.74	-	158,611.62	-	-	-	11,013,218.36
Library books/Leaseholds	-	-	-	-	-	-	-
Construction in Progress	1,196,271.73	(53,424.65)	(1,526,664.64)	-	1,532,676.10	-	1,148,858.54
Other Assets	2,004,665.50	-	-	-	-	-	2,004,665.50
Total Non-Depreciable Assets	14,055,543.97	(53,424.65)	(1,368,053.02)	-	1,532,676.10	-	14,166,742.40
Depreciable Assets							
Buildings and Building Improvements	249,335,391.50	-	318,649.91	-	-	-	249,654,041.41
Infrastructure	17,106,486.90	-	-	-	-	-	17,106,486.90
Facilities & Other Improvements	21,395,157.33	-	1,049,403.11	-	-	-	22,444,560.44
Furniture and Equipment	20,726,708.11	-	-	5,333.09	1,148,568.81	(435,677.57)	21,444,932.44
Vehicle, Boats & Aircraft	978,773.64	-	-	-	219,034.13	(53,913.59)	1,143,894.18
Library books/Leaseholds	22,590,244.72	-	-	-	216,030.03	(186,440.70)	22,619,834.05
Total Depreciable Assets at	332,132,762.20	-	1,368,053.02	5,333.09	1,583,632.97	(676,031.86)	334,413,749.42
Less Accumulated Depreciation							
Buildings and Improvements Infrastructure	(106,635,183.57)	-	-	-	(5,535,263.92)	-	(112,170,447.49)
Facilities & Other Improve	(10,452,725.08)	-	-	-	(495,005.88)	-	(10,947,730.96)
Furniture and Equipment	(9,646,734.98)	-	-	-	(597,123.51)	-	(10,243,858.49)
Vehicles, Boats & Aircraft	(12,303,651.28)	-	-	(296.28)	(2,000,156.53)	426,748.25	(13,877,355.84)
Library books/Leaseholds	(709,778.02)	-	-	-	(87,945.40)	40,224.25	(757,499.17)
Library books/Leaseholds	(17,933,960.71)	-	-	-	(686,625.05)	186,440.70	(18,434,145.06)
Total Accumulated Depreciation	(157,682,033.64)	-	-	(296.28)	(9,402,120.29)	653,413.20	(166,431,037.01)
Depreciable Assets, Net	174,450,728.56	-	1,368,053.02	5,036.81	(7,818,487.32)	(22,618.66)	167,982,712.41
Business Type-Activities	188,506,272.53	(53,424.65)	-	5,036.81	(6,285,811.22)	(22,618.66)	182,149,454.81

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 08/31/12, the actual bank balance was \$5,632,396.71. The carrying balance was \$5,224,763.70 as presented below.

Governmental and Business-Type Activities

CASH IN BANK - CARRYING VALUE	\$5,224,763.70
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	\$5,224,763.70
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	4,938,641.43
Proprietary Funds Current Assets Restricted Cash in Bank	51,706.48
Proprietary Funds Non-Current Restricted Cash in Bank	234,415.79
Cash in Bank per AFR	\$5,224,763.70

Unaudited

Investments

As of August 31, 2012 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	6,149,882.10
International Obligations (Govt and Corp)	
International Equity	
Repurchase Agreement	
Repurchase Agreement (Texas Treasury Safekeeping Trust Co)	
Fixed Income Money Market and Bond Mutual Fund	1,114,392.98
Other Commingled Funds	
International Other Commingled Funds	
SUBTOTAL LONG-TERM INVESTMENTS (Statement of Net Assets)	\$ 7,264,275.08
Other Commingled Funds (Texpool)	\$ 44,271,224.03
Commercial Paper	
Alternative Investments	
Misc (althernative investments, limited partnerships, guaranteed investment contract, political subdivision, bankers' acceptance, negotiable CD)	
SUBTOTAL CASH EQUIVALENTS (Statement of Net Assets)	\$ 44,271,224.03
Total	\$ 51,535,499.11

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, 2012, were as follows:

Unaudited

Fund Type	GAAP Fund	Investment Type	Current Standard & Poor's Rating				Total
			AAA	AA	A	BBB	
		Fixed Money Market and Bond Mutual Fund					
05	9999						
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, 2012.

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

During the year ended August 31, 2012 the following changes occurred in long-term liabilities.

Business Type Activities	Balance 09/01/11	Additions	Reductions	Balance 08/31/12	Due Within One Year
Deposit Payable	\$ 84,008.44	\$ 87,210.00	\$ 96,291.35	\$ 74,927.09	\$ 11,239.06
Employees' Compensable Leave	2,663,910.23	\$2,381,653.99	\$2,382,200.69	\$2,663,363.53	\$ 399,504.53
Total Long-Term Liabilities	\$2,747,918.67	\$2,468,863.99	\$2,478,492.04	\$2,738,290.62	\$ 410,743.59

Employees' Compensable Leave

A state employee is entitled to be paid for any unused vacation time accrued in the event of the employee's resignation, dismissal, or separation from State employment, provided the employee has had continuous employment with the state for at least six months. Both an expense and a liability for business-type activities are recorded in the proprietary funds as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. The obligation is usually paid from the same funding source(s) from which the employee's salary or wage compensation was paid.

Unaudited

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	2013	\$ 5,538,040.16	\$ 6,067,031.74	\$ 11,605,071.90
	2014	5,812,748.14	5,795,502.26	11,608,250.40
	2015	6,118,786.76	5,505,311.54	11,624,098.30
	2016-2020	34,152,084.90	22,686,637.84	56,838,722.74
	2021-2025	36,380,676.69	13,868,340.10	50,249,016.79
	2026-2030	26,755,000.00	5,280,287.50	32,035,287.50
	2031-2035	6,985,000.00	739,000.00	7,724,000.00
	2036-2040	-	-	-
	TOTALS	\$121,742,336.65	\$59,942,110.98	\$181,684,447.63

Unaudited

A portion of the debt represents Tuition Revenue Bonds historically funded by the Texas Legislature through General Revenue Appropriations. The institution was appropriated \$2,508,275.58 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, 2012.

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	801,591.29

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	
2013	1,075,676.44
2014	1,072,727.44
2015	1,069,670.17
2016	1,016,186.66
2017	1,013,290.53
2018-2022	2,821,876.89
2023-2025	460,971.78
Total Minimum Future Lease Rental Payments	\$8,530,399.91

Capital Leases

Lamar University has no capital leases as of August 31, 2012.

NOTE 9: Pension Plans

Unaudited

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 08/31/12 are:

	Year Ended August 31, 2012
Member Contributions	\$ 2,018,913.45
Employer Contributions	2,148,442.98
Total	\$ 4,167,356.43

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.

Unaudited

Individual balances and activity at August 31, 2012 follows:

Current Portion	Due From	Due To	Purpose
Educational and General Funds	4,000,000.00		Interfund Loan
Designated Funds	9,059,000.00	4,000,000.00	Interfund Loan
Auxiliary Funds		5,100,000.00	Interfund Loan
Restricted Funds	1,182,891.47	3,100,000.00	Interfund Loan
Loan Funds		800,000.00	Interfund Loan
Endowment Funds		1,182,891.47	Interfund Loan
Unexpended Plant Funds		59,000.00	Interfund Loan
Total Due From/To Other Funds	14,241,891.47	14,241,891.47	

	Due From	Due To	Source
Agency 789, D23, Fund 7999	7,333.43		Local Funds
Agency 608, D23, Fund 5015	596.51		Shared Cash
Agency 320, D23, Fund 7999	40,577.51		Local Funds
Agency 755, D23, Fund 7999	196,328.62		Local Funds
Agency 530, D23, Fund 7999		1,235.59	Local Funds
Agency 712, D23, Fund 7999		373.27	Local Funds
Agency 721, D23, Fund 7999		2,479.52	Local Funds
Agency 730, D23, Fund 7999		18,966.94	Local Funds
Agency 754, D23, Fund 7999		157,275.71	Local Funds
Agency 758, D23, Fund 7999		188,963.96	Loan Funds
Agency 758, D23, Fund 7999		7,722,184.83	Endowment Funds
Agency 788, D23, Fund 7999		18,000.00	Endowment Funds
Total Due From/To Other Agencies (Exh A)	244,836.07	8,109,479.82	

	Legislative TRANSFERS IN	Legislative TRANSFERS OUT
General Revenue (01) TRB		2,508,276.29
Agency 789, 023, Fund 0001 GR	4,000,000.00	
Agency 756, 023, Fund 0001 GR	2,000,000.00	
Agency 789, 023, Fund 0001 HEAF		4,000,000.00
Agency 756, 023, Fund 0001 HEAF		2,000,000.00
Total Legislative Transfers	6,000,000.00	8,508,276.29

	TRANSFERS IN	TRANSFERS OUT	SOURCE
Agency 347, D23, Fund 0001		801,591.29	General Revenue
Agency 758, D23, Fund 7999		614,425.00	Designated Funds
Agency 781, D23, Fund 7999		1,087,268.78	Designated Funds
Agency 758, D23, Fund 7999		19,914.26	Designated Funds
Agency 758, D23, Fund 7999		9,146,038.77	Auxiliary Funds
Total Transfers		11,669,238.10	

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 \$53,424.65 due to adjustments in capital assets.

NOTE 15: Contingent Liabilities

At August 31, 2012 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, 2012, there were two (2) lawsuits and claims involving Lamar University. At August 31, 2012, 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, 2012.

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, 2012 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

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 coordinator of gifts made by other parties. The Foundation remitted restricted gifts of \$ 1,136,132.76 to the University during the year ended August 31, 2012. 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, \$198,089.21. Accounts receivable of \$428,272.06 are due from the Foundation at August 31, 2012.

NOTE 20: Stewardship, Compliance and Accountability

Not used

NOTE 21: N/A- Not Applicable to the Reporting Requirement Process**NOTE 22: Donor-Restricted Endowments**

Unaudited

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	\$2,120,419.64	Restricted for Expendable
Total Restricted Endowments	<u>\$2,120,419.64</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, 2012 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, 2012, 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 \$5,515,650.48.

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, 2012 are comprised of the following:

<u>Federal Receivables</u>	
Instruction	\$ 259,375.48
Research	1,383,601.64
Public Service	43,808.45
Academic Support	67,734.67
Scholarship	940,468.15
Loans	2,435,401.00
Institutional Support	6.00
TOTAL FEDERAL RECEIVABLES	<u>\$ 5,130,395.39</u>

Unaudited

Other Receivables

Auxiliary Enterprises

Loan

Pledges Receivables (Restricted)

Endowment and Similar Funds

TOTAL OTHER RECEIVABLES

=====

Other Payable

Loan Fund

\$ 21,352.15

TOTAL OTHER PAYABLES

\$ 21,352.15

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NOTE 25: Termination Benefits

Lamar University has no termination benefits to report as of August 31, 2012.

NOTE 26: Segment Information

Lamar University has no segments to report as of August 31, 2012.

UNAUDITED

Agency 734 - Lamar University
 Schedule 1A
 For the Fiscal Year Ended August 31, 2012

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Pass-through From			Agy/ Univ No	Total PT From and Direct Prog. Amount	Pass- Through To Agencies or Universities Amount	Agy/ Univ No.	Pass-through To				
			Pass-Through From Agencies or Universities Amount	Pass-Through From Non- State Entities Amount	Direct Program Amount					Pass-Through To Non-State Entities Amount	Expenditures Amount	Total PT To and 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		110,805.12			756	110,805.12			110,805.12		110,805.12		110,805.12
Totals - U.S. Department of Agriculture			110,805.12				110,805.12			110,805.12		110,805.12		110,805.12
U.S. Department of Commerce Direct Programs: Economic Development--Technical	11.303						88,715.26			88,715.26		88,715.26		88,715.26
Totals - U.S. Department of Commerce							88,715.26			88,715.26		88,715.26		88,715.26
U.S. Department of Defense Direct Programs: U.S. Department of Defense	12.000	WM911NF-12-C005					2,002.00			2,002.00		2,002.00		2,002.00
U.S. Department of Defense	12.000	WM9113M-05-C1087					842,019.48			842,019.48		842,019.48		842,019.48
U.S. Department of Defense	12.000	WM9113M-10-C-0007					518,581.15			518,581.15		518,581.15		518,581.15
U.S. Department of Defense	12.000						585,349.84			585,349.84		585,349.84		585,349.84
Pass-Through To: Texas State University - San Marcos		WM9113M-05-C1087							754	585,349.84		585,349.84		585,349.84
Pass-Through From: Basic, Applied, and Advanced Research in Science and Engineering	12.630		180,426.26			753	180,426.26			180,426.26		180,426.26		180,426.26
Pass-Through From: Sam Houston State University														
Basic, Applied, and Advanced Research in Science and Engineering	12.630													
Pass-Through From: Sul Ross State University														
Totals - U.S. Department of Defense							1,947,952.47			1,947,952.47		1,947,952.47		2,197,730.26
										177,137.88		1,435,242.54		2,197,730.26

UNAUDITED

Agency 734 - Lamar University
 Schedule 1A
 For the Fiscal Year Ended August 31, 2012

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Pass-through From		Agy/ Univ No	Direct Program 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 Non-State Entities Amount	Expenditures Amount	
U.S. Department of Agriculture National Aeronautics and Space Administration <u>Pass-Through From:</u> Aerospace Education Services Program <u>Pass-Through From:</u> <i>University of Texas at Austin</i>	43 001		6,097.12		721	6,097.12	6,097.12		6,097.12	6,097.12
Totals - National Aeronautics and Space Administration			6,097.12			6,097.12			6,097.12	6,097.12
National Endowment For The Humanities <u>Direct Programs:</u> Promotion of the Arts_Grants to Organizations and Individuals Totals - National Endowment For The Humanities	45 024					591.99	591.99		591.99	591.99
Small Business Administration <u>Pass-Through From:</u> Small Business Development Centers <u>Pass-Through From:</u> <i>University of Houston</i>	59 037		165,297.97		730	165,297.97	165,297.97		165,297.97	165,297.97
Totals - Small Business Administration			165,297.97			165,297.97			165,297.97	165,297.97
Environmental Protection Agency Congressionally Mandated Projects <u>Pass-Through From:</u> <i>University of Houston</i>	66 202		2,044.23		730	2,044.23	2,044.23		2,044.23	2,044.23
Beach Monitoring and Notification Program Implementation Grants <u>Pass-Through From:</u> <i>General Land Office</i>	66 472				305	29,634.50	29,634.50		29,634.50	29,634.50
Totals - Environmental Protection Agency			31,678.73			31,678.73			31,678.73	31,678.73

UNAUDITED

Agency 734 - Lamar University
 Schedule 1A
 For the Fiscal Year Ended August 31, 2012

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Pass-through From			Pass-through To			Total PT To and Expenditures Amount	
			Agy/ Univ No	Pass-Through From Agencies or Universities Amount	Pass-Through From Non- State Entities Amount	Direct Program Amount	Total PT From and Direct Prog. Amount	Agy/ Univ No		Pass-Through To Non-State Entities Amount
U.S. Department of Agriculture U.S. Department of Education (used for the improvement of Postsecondary Education)	84.116	University of Louisiana Lafayette/231080		6,265.10		6,265.10		6,265.10		6,265.10
<u>Direct Programs:</u> Special Education - Personnel Development to Improve Services and Results for Children with	84.325			584,761.15		584,761.15		584,761.15		584,761.15
<u>Pass-Through From:</u> Improving Teacher Quality State Grants	84.367			71,682.00		71,682.00		71,682.00		71,682.00
<u>Pass-Through From:</u> Texas Higher Education Coordinating Board			781	71,682.00						
Totals - U.S. Department of Education				71,682.00	6,265.10	662,708.25	584,761.15	662,708.25		662,708.25
U.S. Department of Health and Human Services										
<u>Direct Programs:</u> Advanced Education Nursing Traineeships	93.358			3,200.00		3,200.00		3,200.00		3,200.00
Health Care and Other Facilities	93.887			61,184.21		61,184.21		61,184.21		61,184.21
<u>Pass-Through From:</u> Foster Care Title IV-E <u>Pass-Through From:</u> Department of Family and Protective Services	93.658		530	67,648.79		67,648.79		67,648.79		67,648.79
Totals - U.S. Department of Health and Human Services				67,648.79		132,033.00	64,384.21	132,033.00		132,033.00
<u>Research & Development Cluster</u> National Science Foundation										
<u>Direct Programs:</u> Engineering Grants Engineering Grants <u>Pass-Through To:</u>	47.041 47.041			364,534.96 5,998.08		364,534.96 5,998.08		364,534.96 5,998.08		364,534.96 5,998.08

UNAUDITED

Agency 734 - Lamar University
 Schedule 1A
 For the Fiscal Year Ended August 31, 2012

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Pass-through From			Agy/ Univ No	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	Direct Program Amount			Pass-Through To Agencies or Universities Amount	Pass-Through To Non-State Entities Amount	Expenditures Amount	
U.S. Department of Agriculture Pass-Through From: WIA Adult Program Pass-Through From: Texas Workforce Commission	17 258		50,053.59			320	50,053.59			50,053.59	50,053.59
Totals - U.S. Department of Labor			50,053.59				50,053.59			50,053.59	50,053.59
Total Expenditures of Federal Awards			1,131,983.61	6,265.10	97,450,038.69		98,588,287.40	591,347.92	177,137.88	97,819,801.60	98,588,287.40

UNAUDITED

Agency 734 - Lamar University
 Schedule 1A
 For the Fiscal Year Ended August 31, 2012

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)
 Proprietary Funds - Federal Revenue (Operating Statement) \$ 24,609,565.35

Less Reconciling Items:

Non-Monetary Programs
 Federal Commodities -
 Federal Surplus Property -

New Loans Processed:

Federal Family Education Loans 2,164,543.05
 Federal Perkins Loan Program 97,690.00
 Federal Direct Student Loans 71,716,489.00
 Total Pass-Through & Expenditures Per Federal Schedule \$ 98,588,287.40

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 Recovered	Ending Balances of Previous Years' Loans
U.S. Department of Education				
84-032 Federal Family Education Loans	\$ 2,164,543.05	\$ -	\$ -	881,204.74
84-038 Federal Perkins Loan Program	97,690.00	-	-	
84-268 Federal Direct Student Loans	71,716,489.00			
Total Department of Education	\$ 73,978,722.05	\$ -	\$ -	\$ 881,204.74

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, 2012

Pass Through From:

Department of State Health Services (Agy. # 537)	
Obesity	8,348.57
Texas Commission on Environmental Quality (Agy. # 582)	
Photochemical Modeling Emmissions Inventory Data	94,833.22
Texas Education Agency (Agy. #701)	
TALH Formula	114,362.00
TALH Technology	16,528.00
TALH Virtual School Network	10,400.00
University of Texas System (Agy. #720)	
Joint Admission Medical Program (JAMP)	10,528.19
Texas Higher Education Coordinating Board (Agy. # 781)	
Nursing and Allied Health	122,713.00
TEXAS Grant Program	4,364,500.00
Nursing Shortage Reduction Program	201,344.00
Promote Participation and Success	6,250.00
Engineering Recruitment Prog	(3,461.46)
College Work Study Program	56,525.33
College Readiness Initiative	(1,588.94)
Top 10% Scholarships	199,896.00
Early High School Program	31,525.20
Certified Edu Aide Program	(392.18)
Total Pass Through From Other Agencies (Exh II)	<u><u>5,232,310.93</u></u>

Pass Thru To:

Texas A&M University (Main University) (Agy. #711)	
Cyanide Remediation: Evolving Improved Enzymes Development and Deployment of A Fage	16,275.27
On-Line Chemical Analysis of Ambient Organic Aerosols	139.61
Instrument for Urban HOX Measurements, Year 2	14,688.98
Texas Engineering Experiment Station (Agy. #712)	
Implementation of Modified Carbon Bond Mechanisms in CAMX	2,995.35
Biodegradation of 1,2,3-Trichloropropane	1,064.93

Unaudited

Lamar University (734)
 Schedule 1B
 Schedule of State Grant Pass-Throughs From/To State Agencies
 For the Year Ended August 31, 2012

An Advanced Reduction Process Using Sulfite and Ultraviolet Light	20,428.18
A 3D Eulerian Modeling Study of Ozone and Secondary Organic Aerosol Formation in Texas Using the Master Chemical Mechanism	9,631.30
University of Texas (Agy. # 721) Implementation of Modified Carbon Bond Mechanisms in CAMx	7,500.00
Remote Monitor for Metal ions in Natural and Wastewater Systems	2,353.26
Establishing O3 and NOx Boundary Conditions for Eastern Texas Using Satellite Remote Sensing Observations	1,411.62
Rainwater Harvesting: Water Quality for Potable and Non-potable Use	5,822.00
Homogeneous and heterogeneous atmospheric halogen chemistry in urban atmospheres of the Gulf Coast	(50.00)
The Water-Energy Nexus: The Relationship Among Phosphorus Limitation Extracellular Polymeric Substances (EPS) Production, and Headloss in Biologically Active Drinking	15.00
Atmospheric Chlorine Chemistry in the Dallas-Fort Worth Region	2,464.52
University of Houston (Agy. # 730) Tracking Emissions from On-Road Vehicles: Developing Metal Tracers Based on Measurements in the Washburn Tunnel	75,066.24
Meteorology Modeling with WRF for Houston Air Quality	135.64
Subsurface Multiphase Flow Characteristics of Bioalcohol Fuels and Groundwater Quality	825.47
Mitigation of Biological Inorganic Fouling for Waste Stream Reduction in Membrane Filtration	32,666.60
Erosion of Muddy Sediments in the Houston Ship Channel Due to Turbulent Flow: Implications for Transport of Pollutants Attached to Fine Muddy Sediments	18,601.99

Unaudited

Lamar University (734)
Schedule 1B
Schedule of State Grant Pass-Throughs From/To State Agencies
For the Year Ended August 31, 2012

Reactive Air Sparging for Simultaneous Removal of MTBE and TBA in Groundwater	8,013.43
Bioelectrical Production in a Microbial Fuel Cell (MFC): Bio-surfactant Production Using Used Vegetable Oil in the Anode and Rapid Contaminant Degradation in the Cathode	23,080.33
Accurate Air Pollution Source Attribution by Improving Mass Consistency/Conservation in Air Quality Modeling	35,784.57
Metals Analysis for Tracking Particulate Matter from Mobile Sources and Petroleum Refining Operation in Houston	13,677.90
Waste Reduction from Membrane Facilities by Quantifying Fouling Caused by Bacteria and Inorganic Salts	<u>2,794.08</u>
Total Pass Through To Other Agencies (Exh II)	<u><u>295,386.27</u></u>

UNAUDITED

Lamar University
Schedule 2E
Schedule of Defeased Bonds Outstanding
For the Year Ended August 31, 2012

<u>Description of Issues</u>	<u>Year Refunded</u>	<u>Par Value Outstanding</u>
		<u>\$ -</u>
Total Defeased Revenue Bonds		<u><u>\$ -</u></u>

Unaudited

Texas State University System
 Lamar University
 Schedule 3 - Reconciliation of Cash in State Treasury
 August 31, 2012

	Unrestricted	Restricted	Current Year Total
Cash in State Treasury			
Local Revenue Fund 0256	\$ 7,845,097.86	\$ -	\$ 7,845,097.86
Departmental Suspense Fund 0900			
Correction Account for Direct Deposit Fund 0980			
Direct Deposit Hold - Transmit Account Fund 0979			
Texas State University System Special Mineral Fund 0283			
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)	\$ 7,845,097.86	\$ -	\$ 7,845,097.86

UNAUDITED

LAMAR UNIVERSITY - BEAUMONT
 SCHEDULE 4
 SCHEDULE OF HIGHER EDUCATION ASSISTANCE FUND
 For the Year Ended August 31, 2012

	CURRENT FUNDS		PLANT FUNDS		Total
	Educational and General	Designated	Unexpended	Retirement of Indebtedness	
Balances - September 1, 2011	\$ 13,862,174.39	\$ -	\$ -	\$ -	13,862,174.39
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	4,126,470.29		845,220.07		4,971,690.36
Capital Outlay	763,514.32		25,050.62		788,564.94
Construction in Progress			1,432,643.89		
Bonds Retired					
Interest Expense					
Other Equipment					
Total Expenditures	\$ 4,889,984.61	\$ -	\$ 2,302,914.58	\$ -	\$ 5,760,255.30
Transfers:					
Mandatory:					
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -
Other					
Non-mandatory Transfers	(11,000,000.00)		11,000,000.00		-
Transfers From/(To) Other Agencies	(6,000,000.00)				(6,000,000.00)
Total Transfers	\$ (17,000,000.00)	\$ -	\$ 11,000,000.00	\$ -	\$ (6,000,000.00)
Balances - August 31, 2012	\$ 303,122.78	\$ -	\$ 8,697,085.42	\$ -	\$ 10,432,852.09
Balances - August 31, 2012					
Consists of:					
Encumbrances					\$ -
Reserved for HEAF Projects	303,122.78		8,697,085.42		9,000,208.20
Total Balances - August 31, 2012	\$ 303,122.78	\$ -	\$ 8,697,085.42	\$ -	\$ 9,000,208.20

