



LAMAR UNIVERSITY
A Member of The Texas State University System

November 20, 2011

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, 2011.

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

Lamar University

A Member of The Texas State University System

ORGANIZATIONAL DATA AS OF AUGUST 31, 2011

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
Ryan Bridges, Student	2/1/2012	Huntsville

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	Associate 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
Norman Bellard	Vice President for Student Affairs, Interim
Camille Mouton	Vice President University Advancement
Jason Henderson	Athletic Director, Interim

Unaudited

Lamar University
 Student Enrollment Data
 For the Year Ended August 31, 2011

TYPE OF STUDENT	NUMBER OF STUDENTS BY SEMESTER			
	FALL 2010	SPRING 2011	SUMMER TERM 2011	
			FIRST	SECOND
Texas Residents	11,483	11,319	3,518	3,661
Out of State (Classified as Residents)				
Out of State	278	260	115	119
Foreign	613	510	142	146
Children of Disabled				
Concurrent Enrollment	6	17	16	9
Foster Children of the State	11	14	4	3
Good Neighbor	5	5	1	1
High School Honor Scholarships	7	7		
High Ranking Senior				
Hazelwood Act	191	211	69	71
Senior Citizens	3	3	1	1
Commission for the Blind/Deaf	74	63	20	20
Fireman Exempt	3	3	1	
Thesis Only				
Student Service Fees				
Nursing				
Faculty/Staff	5	4	1	1
Teaching Assistants	24	25	8	6
Competitive Scholarships	653	577	169	171
Military Personnel	8	12	2	1
Louisiana Adjacent County				
Mexico Pilot				
National Student Exchange Program				
New Mexico Adjacent County				
Texas Tomorrow Waiver				
Adopted Students	22	25	6	4
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	83	68	23	19
UACH				
Early HS Grad	18	6		
TAPS Tuition Voucher 54.2111				
TDCJ-54.218 Education Code				
Trio Grant Math 0301				
HB 1406 Non US Citizen				
Totals	13,494	13,135	4,098	4,235

Unaudited

Lamar University
Student Enrollment Data
For the Year Ended August 31, 2011

Fiscal Year	Enrollment Data (Fall Semester)	
	STUDENTS	SEMESTER HOURS
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, 2011

	<u>Total</u>
ASSETS AND DEFERRED OUTFLOWS	
Current Assets:	
Cash and Cash Equivalents	
Cash on Hand	\$ 11,000.00
Cash in Bank	878,963.14
Cash in Transit/Reimburse from Treasury	406,510.34
Cash in State Treasury	6,570,447.43 (schedule 3)
Cash Equivalents	13,182,355.30
Securities Lending Collateral	
Short Term Investments	
Restricted:	
Cash and Cash Equivalents	
Cash on Hand	
Cash in Bank	53,657.71
Cash in Transit/Reimburse from Treasury	
Cash in State Treasury	(schedule 3)
Cash Equivalents	
Short Term Investments	
Legislative Appropriations	14,659,601.74
Investments	
Receivables:	
Federal	3,646,206.32
Other Intergovernmental	
Interest and Dividends	
Accounts	19,547,588.40
Gifts	3,146,056.83
Investment Trades	
Other	46,056.83
Interfund Receivable	9,688,235.13
Due From Other Agencies	168,995.07
Consumable Inventories	
Merchandise Inventories	159,287.80
Prepaid Items	8,404,436.65
Loans and Contracts	1,759,727.53
Other Current Assets	
Total Current Assets	<u>\$ 82,329,126.22</u>

Unaudited

Texas State University System
Lamar University
Statement of Net Assets
August 31, 2011

	<u>Total</u>
Non-Current Assets and Deferred Outflows:	
Restricted:	
Cash and Cash Equivalents	
Cash on Hand	\$ -
Cash in Bank	287,966.65
Cash in Transit/Reimburse from Treasury	
Cash in State Treasury	
Cash Equivalents	16,058,207.23
Short Term Investments	
Receivables	
Investments	6,774,836.54
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	10,854,606.74
Infrastructure	
Construction in Progress	1,196,271.73
Other Capital Assets	2,004,665.50
Depreciable:	
Buildings and Building Improvements	249,335,391.50
Less Accumulated Depreciation	(106,635,183.57)
Infrastructure	17,106,486.90
Less Accumulated Depreciation	(10,452,725.08)
Facilities and Other Improvements	21,395,157.33
Less Accumulated Depreciation	(9,646,734.98)
Furniture and Equipment	20,726,708.11
Less Accumulated Depreciation	(12,303,651.28)
Vehicles, Boats, and Aircraft	978,773.64
Less Accumulated Depreciation	(709,778.02)
Other Capital Assets	22,590,244.72
Less Accumulated Depreciation	(17,933,960.71)
Amortizable Assets-Intangible	
Less Accumulated Amortization	
Other Non-Current Assets	
Total Non-Current Assets	<u>\$ 211,627,282.95</u>
Total Assets	<u>\$ 293,956,409.17</u>

Unaudited

Texas State University System
Lamar University
Statement of Net Assets
August 31, 2011

	<u>Total</u>
LIABILITIES AND DEFERRED INFLOWS	
Current Liabilities:	
Payables:	
Accounts	\$ 3,638,615.28
Investment Trades	
Payroll	7,221,871.48
Other Intergovernmental	
Federal	
Other	36,678.62
Interfund Payable	9,688,235.13
Due to Other Agencies	8,982,171.94
Deferred Revenues	38,707,351.53
Notes and Loans Payable	
Revenue Bonds Payable, Net	
General Obligation Bonds Payable, Net	
Claims and Judgments	
Employees' Compensable Leave	399,586.53
Capital Lease Obligations	
Liabilities Payable from Restricted Assets	
Obligations/Reverse Purchase Agreements	
Obligations Under Securities Lending	
Funds Held for Others	229,825.66
Other Current Liabilities	12,601.27
Total Current Liabilities	<u>\$ 68,916,937.44</u>
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	2,264,323.70
Capital Lease Obligations	
Other Non-Current Liabilities	71,407.17
Total Non-Current Liabilities and Deferred Inflows	<u>\$ 2,335,730.87</u>
Total Liabilities and Deferred Inflows	<u><u>\$ 71,252,668.31</u></u>

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Texas State University System
Lamar University
Statement of Net Assets
August 31, 2011

	<u>Total</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	\$ 188,506,272.53
Restricted For	
Education	15,645,119.72
Debt Retirement	
Capital Projects	
Employee Benefits	
Funds Held As Permanent Investments:	
Non-Expendable	17,685,602.49
Expendable	866,746.12
Other	
Unrestricted	
Total Net Assets	<u>\$ 222,703,740.86</u>

Unaudited

Texas State University System
Lamar University
Statement of Revenues, Expenses, and Changes in Net Assets
For the Fiscal Year Ended August 31, 2011

	<u>Total</u>
OPERATING REVENUES	
Sales of Goods and Services	
Tuition and Fees (PR-Chgs for Services)	
Tuition and Fees - Pledged (PR-Chgs for Services)	\$ 93,164,910.35
Discounts and Allowances	(12,125,524.05)
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)	9,182,863.12
Auxiliary Enterprises - Pledged (PR-Chgs for Services)	
Discounts and Allowances	
Other Sales of Goods and Services	3,738,057.39
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)	6,370,365.68
Federal Pass-Through Revenue (PR-OP Grants/Contributions)	938,482.66
State Grant Revenue (PR-OP Grants/Contributions)	108,403.49
State Grant Pass-Through Revenue (PR-OP Grants/Contributions)	6,668,542.91
Other Grants and Contracts (PR-OP Grants/Contributions)	1,096,039.12
Other Grants and Contracts (PR-OP Grants/Contributions) - Pledged	
Contributions to Retirement Systems (PR-Chgs for Services)	
Other Operating Revenues (PR-Chgs for Services)	1,486,591.71
Other Operating Revenues (GR) - Pledged	
Total Operating Revenues	<u>\$ 110,628,732.38</u>
OPERATING EXPENSES	
Instruction	\$ 54,104,517.43
Research	7,369,722.95
Hospitals and Clinics	
Public Service	1,877,899.33
Academic Support	23,741,390.30
Student Services	6,180,338.10
Institutional Support	21,233,756.81
Operation and Maintenance of Plant	11,217,867.77
Scholarship and Fellowships	24,387,205.01
Auxiliary Enterprise Expenditures	29,182,217.88
Depreciation and Amortization	8,299,846.98
Total Operating Expenses	<u>\$ 187,594,762.56</u>
Operating Income (Loss)	<u>\$ (76,966,030.18)</u>

Unaudited

Texas State University System
Lamar University
Statement of Revenues, Expenses, and Changes in Net Assets
For the Fiscal Year Ended August 31, 2011

	Total
NONOPERATING REVENUES (EXPENSES):	
Legislative Revenue (GR)	\$ 38,177,563.00
Additional Appropriations (GR)	11,517,472.56
Federal Revenue (PR-OP Grants/Contributions)	20,188,149.37
Federal Pass-Through Revenue (PR-OP Grants/Contributions)	3,434,094.92
Gifts (PR-OP Grants/Contributions)	4,574,307.44
Interest and Investment Income (Expense) (PR-OP Grants/Contributions)	776,738.58
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)	(34,255.89)
Net Increase (Decrease) in Fair Value of Investments (PR-OP Grants/Contributions)	160,914.90
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)	(12,282.92)
Other Nonoperating Expenses (GR)	
Total Nonoperating Revenues (Expenses)	<u>\$ 78,782,701.96</u>
Income (Loss) before Other Revenues, Expenses, Gains/Losses and Transfers	\$ 1,816,671.78
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	
Decrease NA Interagency Transfer Capital Assets	
Transfer In	
Transfer Out	(11,348,009.14)
Legislative Transfer In	(1,982,712.00)
Legislative Transfer Out	(2,454,898.65)
Lapses	
Total Other Revenues, Expenses, Gains/Losses and Transfers	<u>\$ (7,454,686.79)</u>
CHANGE IN NET ASSETS	<u>\$ (5,638,015.01)</u>
Net Assets, September 1, 2010	\$ 227,847,856.55
Restatements	493,899.32
Net Assets, September 1, 2010, as Restated	<u>\$ 228,341,755.87</u>
NET ASSETS, August 31, 2011	<u><u>\$ 222,703,740.86</u></u>

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Texas State University System
Lamar University

Matrix of Operating Expenses Reported by Function
For the Fiscal Year Ended August 31, 2011

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	\$ 39,596,008.02	\$ 2,620,011.12		\$ 1,167,288.82	\$ 7,040,120.06	\$ 4,344,710.25	\$ 9,703,676.80	\$ 5,015,919.73	\$ -	\$ 8,765,342.19		\$ 78,253,076.99
Payroll Related Costs	10,781,204.77	307,475.82		272,871.71	1,456,406.53	1,188,958.90	1,262,798.12	1,647,913.04		1,664,981.64		18,562,610.53
Professional Fees and Services	251,915.73	728,189.13		38,697.89	7,835,497.60	14,443.89	4,017,249.18	226,002.12		1,404,425.88		14,517,421.42
Federal Grant Pass-Through Expense		813,297.16										813,297.16
State Grant Pass-Through Expense		579,797.28										579,797.28
Travel	518,569.08	164,908.14		71,729.88	153,401.39	83,613.86	128,902.06	1,664.50		1,156,744.02		2,279,532.93
Materials and Supplies	1,396,145.55	1,135,305.65		66,809.02	5,741,730.52	218,318.51	3,412,117.51	682,725.45		7,766,805.32		20,419,957.53
Communications and Utilities	3,534.64	2,071.52		5,144.47	435,816.66	3,678.79	614,232.29	2,399,612.21		2,706,703.76		6,160,794.34
Repairs and Maintenance	132,794.47	4,611.38		70,213.47	228,868.08	7,436.41	776,155.65	375,807.08		1,171,844.03		2,767,730.57
Rentals and Leases	168,044.88	19,051.78		4,706.70	40,626.32	20,601.93	120,653.95	785,312.81		320,079.37		1,479,077.74
Printing and Reproduction	133,547.35	10,682.08		12,923.13	48,392.44	60,502.01	155,882.82	7,325.61		307,734.86		756,990.30
Depreciation and Amortization*											8,299,846.98	8,299,846.98
Bad Debt Expense												
Interest												
Scholarships									24,387,205.01			24,387,205.01
Claims and Judgments												
Net Change in Pension/OPEB Obligations												
Other Operating Expenses	1,122,752.94	984,321.89		167,514.24	759,530.70	218,073.55	1,042,088.43	65,585.22		479,447.04		4,859,314.01
Total Operating Expenses	\$ 54,104,517.43	\$ 7,369,722.95	\$ -	\$ 1,877,899.33	\$ 23,741,390.30	\$ 6,180,338.10	\$ 21,233,756.81	\$ 11,217,867.77	\$ 24,387,205.01	\$ 29,182,217.88	\$ 8,299,846.98	\$ 187,594,762.56

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

Unaudited

Texas State University System
Lamar University
Statement of Cash Flows
For the Fiscal Year Ended August 31, 2011

	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	\$ 3,738,057.39
Proceeds from Tuition and Fees	80,383,572.07
Proceeds from Research Grants and Contracts	20,823,767.76
Proceeds from Gifts	
Proceeds from Loan Programs	
Proceeds from Auxiliaries	9,182,863.12
Proceeds from Other Revenues	1,999,710.34
Payments to Suppliers for Goods and Services	(55,212,208.45)
Payments to Employees for Salaries	(78,384,979.45)
Payments to Employees for Benefits	(18,582,610.53)
Payments for Loans Provided	
Payments for Other Expenses	(30,063,119.88)
Net Cash Provided by Operating Activities	<u>\$ (66,114,947.63)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Proceeds from Debt Issuance	\$ -
Proceeds from State Appropriations	58,025,968.56
Proceeds from Gifts	5,141,765.39
Proceeds from Endowments	
Proceeds of Transfers from Other Funds	
Proceeds from Grant Receipts	24,193,377.61
Proceeds from Advances from Other Funds	
Proceeds from Loan Programs	
Proceeds from Other Financing Activities	547,374.52
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	(4,148,694.41)
Net Cash Provided by Noncapital Financing Activities	<u>\$ 83,759,791.67</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from the Sale of Capital Assets	\$ (34,255.89)
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	(12,851,138.53)
Payments of Principal on Debt	(11,636,925.38)
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	<u>\$ (24,522,319.80)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales of Investments	\$ -
Proceeds from Interest Income	89,826.99
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, 2011

	Total
Payments to Acquire Investments	
Net Cash Provided by Investing Activities	<u>\$ 89,826.99</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (6,787,648.77)
Cash and Cash Equivalents, September 1, 2010	44,236,756.57
Changes in Accounting Principle	
Changes in Reporting Entity	
Restatements to Beginning Cash and Cash Equivalents	
Cash and Cash Equivalents, September 1, 2010 - Restated	<u>\$ 44,236,756.57</u>
Cash and Cash Equivalents, August 31, 2011	<u>\$ 37,449,107.80</u>

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

Operating Income (Loss)	\$ (76,966,030.18)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Amortization and Depreciation	8,299,846.98
Bad Debt Expense	
Operating Income (Loss) and Cash Flow Categories: Classification Differences	
Changes in Assets and Liabilities:	
(Increase) Decrease in Receivables	(4,137,221.23)
(Increase) Decrease in Due from Other Funds	
(Increase) Decrease in Inventories	66,584.14
(Increase) Decrease in Prepaid Expenses	857,095.23
(Increase) Decrease in Notes Receivable	(339,632.40)
(Increase) Decrease in Loans & Contracts	
(Increase) Decrease in Other Assets	
(Increase) Decrease in State Appropriations	
Increase (Decrease) in Payables	3,149,228.95
Increase (Decrease) in Deposits	(12,759.46)
Increase (Decrease) in Due to Other Funds	
Increase (Decrease) in Deferred Income	3,112,602.26
Increase (Decrease) in Compensated Absence Liability	(144,661.92)
Increase (Decrease) in Benefits Payable	
Increase (Decrease) in Other Liabilities	
Total Adjustments	<u>10,851,082.55</u>
Net Cash Provided by Operating Activities	<u>\$ (66,114,947.63)</u>

Non Cash Transactions

Donation of Capital Assets	\$ -
Net Change in Fair Value of Investments	160,914.90
Borrowing Under Capital Lease Purchase	
Other	

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LAMAR UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2011

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.

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.

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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

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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.

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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, 2011 is presented below:

	PRIMARY GOVERNMENT						Balance 08/31/11
	Balance 09/01/10	Adjustments	Completed CIP	Transfers Inc/(Decrease)	Additions	Deletions	
BUSINESS-TYPE ACTIVITIES							
Non-Depreciable Assets							
Land and Land Improvements	10,791,416.05	-	48,190.68	-	15,000.01	-	10,854,606.74
Library books/Leaseholds	-	-	-	-	-	-	-
Construction in Progress Other Assets	50,783,042.95 2,004,665.50	-	(62,262,813.86)	-	12,676,042.64	-	1,196,271.73 2,004,665.50
Total Non-Depreciable Assets	63,579,124.50	-	(62,214,623.18)	-	12,691,042.65	-	14,055,543.97
Depreciable Assets							
Buildings and Building Improvements Infrastructure	198,430,066.67 17,106,486.90	-	51,027,189.83	-	-	(121,865.00)	249,335,391.50 17,106,486.90
Facilities & Other Improvements	11,796,382.33	-	9,598,775.00	-	-	-	21,395,157.33
Furniture and Equipment	16,826,492.15	559,657.44	1,588,658.35	-	2,410,823.79	(658,923.62)	20,726,708.11
Vehicle, Boats & Aircraft	1,194,739.93	-	-	-	121,525.63	(337,491.92)	978,773.64
Library books/Leaseholds	23,248,934.25	-	-	-	163,140.87	(821,830.40)	22,590,244.72
Total Depreciable Assets at	268,603,102.23	559,657.44	62,214,623.18	-	2,695,490.29	(1,940,110.94)	332,132,762.20
Less Accumulated Depreciation							
Buildings and Improvements Infrastructure	(102,154,626.34) (9,913,648.12)	-	-	-	(4,588,286.53) (539,076.96)	107,729.30	(106,635,183.57) (10,452,725.08)
Facilities & Other Improve Furniture and Equipment	(9,029,628.06) (11,147,035.99)	(65,758.12)	-	-	(617,106.92) (1,729,660.60)	638,803.43	(9,646,734.98) (12,303,651.28)
Vehicles, Boats & Aircraft Library books/Leaseholds	(970,310.75) (18,007,034.33)	-	-	-	(76,959.19) (748,756.78)	337,491.92	(709,778.02) (17,933,960.71)
Total Accumulated Depreciation	(151,222,283.59)	(65,758.12)	-	-	(8,299,846.98)	1,905,855.05	(157,682,033.64)
Depreciable Assets, Net	117,380,818.64	493,899.32	62,214,623.18	-	(5,604,356.69)	(34,255.89)	174,450,728.56
Business Type-Activities	180,959,943.14	493,899.32	-	-	7,086,685.96	(34,255.89)	188,506,272.53

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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 08/31/11, the actual bank balance was \$2,273,331.88. The carrying balance was \$1,220,587.50 as presented below.

Governmental and Business-Type Activities

CASH IN BANK - CARRYING VALUE	\$1,220,587.50
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	\$1,220,587.50
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	878,963.14
Proprietary Funds Current Assets Restricted Cash in Bank	53,657.71
Proprietary Funds Non-Current Restricted Cash in Bank	287,966.65
Cash in Bank per AFR	\$1,220,587.50

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Investments

As of August 31, 2011 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	5,690,777.05
International Obligations (Govt and Corp)	
International Equity	
Repurchase Agreement	
Repurchase Agreement (Texas Treasury Safekeeping Trust Co)	
Fixed Income Money Market and Bond Mutual Fund	1,083,831.49
Other Commingled Funds	228.00
International Other Commingled Funds	
SUBTOTAL LONG-TERM INVESTMENTS (Statement of Net Assets)	\$ 6,774,836.54
Other Commingled Funds (Texpool)	\$ 29,240,562.53
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)	\$ 29,240,562.53
Total	\$ 36,015,399.07

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, 2011, were as follows:

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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, 2011.

NOTE 5: Long Term Liabilities

Changes in Long-term Liabilities

During the year ended August 31, 2011 the following changes occurred in long-term liabilities.

Business Type Activities	Balance 09/01/10	Additions	Reductions	Balance 08/31/11	Due Within One Year
Deposit Payable	\$ 122,971.64	\$ 30,298.78	\$ 69,261.98	\$ 84,008.44	\$ 12,601.27
Employees' Compensable Leave	2,808,572.15	\$ 120,769.83	\$ 265,431.75	\$2,663,910.23	\$ 399,586.53
Total Long-Term Liabilities	\$2,931,543.79	\$ 151,068.61	\$ 334,693.73	\$2,747,918.67	\$ 412,187.80

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.

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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	2012	\$5,340,473.66	\$6,333,755.66	\$11,674,229.32
	2013	5,531,785.05	6,073,581.96	11,605,367.01
	2014	5,806,044.66	5,802,302.88	11,608,347.54
	2015-2019	33,111,603.23	24,364,771.80	57,476,375.03
	2020-2024	36,191,381.53	15,666,183.72	51,857,565.25
	2025-2029	31,000,000.00	6,868,762.50	38,468,762.50
	2030-2034	9,550,000.00	1,216,500.00	10,766,500.00
	TOTALS	\$132,445,474.48	\$72,648,597.55	\$205,094,072.03

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A portion of the debt represents Tuition Revenue Bonds historically funded by the Texas Legislature through General Revenue Appropriations. The institution was appropriated \$2,454,898.65 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, 2011.

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	779,929.21

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	
2012	1,078,625.44
2013	1,075,676.44
2014	1,072,727.44
2015	1,069,670.17
2016	1,016,186.66
2016-2021	3,335,274.54
2022-2025	614,629.02
Total Minimum Future Lease Rental Payments	\$9,262,789.71

Capital Leases

Lamar University has no capital leases as of August 31, 2011.

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

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available to certain eligible employees. The contributions made by plan members and employers for the fiscal year ended 08/31/11 are:

	Year Ended August 31, 2011
Member Contributions	\$ 2,351,293.89
Employer Contributions	2,520,407.38
Total	\$ 4,871,701.27

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.

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Individual balances and activity at August 31, 2011 follows:

Current Portion	Due From	Due To	Purpose
Educational and General Funds		2,000,000.00	Interfund Loan
Designated Funds	2,000,000.00	7,098,940.00	Interfund Loan
Auxiliary Funds	5,000,000.00		Interfund Loan
Restricted Funds	2,000,000.00	589,295.13	Interfund Loan
Loan Funds			Interfund Loan
Endowment Funds	589,295.13		Interfund Loan
Unexpended Plant Funds	98,940.00		Interfund Loan
Total Due From/To Other Funds	9,688,235.13	9,688,235.13	

	Due From	Due To	Source
Agency 788, D23, Fund 7999	161,661.64		Local Funds
Agency 789, D23, Fund 7999	7,333.43		Local Funds
Agency 758, D23, Fund 7999		201,520.95	Loan Funds
Agency 758, D23, Fund 7999		7,877,453.85	Endowment Funds
Agency 788, D23, Fund 7999		1,000.00	Endowment Funds
Agency 701, D23, Fund 7999		902,197.14	Loan Funds
Total Due From/To Other Agencies (Exh A)	168,995.07	8,982,171.94	

	Legislative TRANSFERS IN	Legislative TRANSFERS OUT
General Revenue (01) TRB		2,454,898.65
Agency 758, D23, Fund 7999	(1,982,712.00)	
Total Legislative Transfers	(1,982,712.00)	2,454,898.65

	TRANSFERS IN	TRANSFERS OUT	SOURCE
Agency 758 , D23, Fund 7999		629,300.00	Designated Funds
Agency 781, D23, Fund 7999		1,536,682.41	Designated Funds
Agency 758 , D23, Fund 7999		19,075.47	Designated Funds
Agency 758, D23, Fund 7999		9,162,951.26	Auxiliary Funds
Total Transfers		11,348,009.14	

NOTE 13: Continuance Subject to Review

Lamar University is not subject to a review of continuance.

NOTE 14: Adjustments to Fund Balances/Net Assets

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Lamar University has adjustments to the Beginning Fund Balances and Net Assets in the amount of \$327,931.08 due to adjustments in capital assets.

NOTE 15: Contingent Liabilities

At August 31, 2011 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, 2011, there were two (2) lawsuits and claims involving Lamar University. At August 31, 2011, 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, 2011.

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, 2011 and no claims were pending at that date.

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

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

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\$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 \$ 1,093,428.58 to the University during the year ended August 31, 2011. 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, \$ 166,753.33. Accounts receivable of \$ 447,818.44 are due from the Foundation at August 31, 2011.

NOTE 20: Stewardship, Compliance and Accountability

Not used

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

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.

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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	\$2,120,683.64	Restricted for Expendable
Total Restricted Endowments	<u>\$2,120,683.64</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, 2011 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, 2011, 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 \$5,495,118.66.

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, 2011 are comprised of the following:

Federal Receivables

Instruction	
Research	\$2,195,676.19
Public Service	6,344.60
Scholarship	1,240,301.67
Institutional Support	203,883.86
TOTAL FEDERAL RECEIVABLES	<u>\$ 3,646,206.32</u>

Other Receivables

Auxiliary Enterprises	
Loan	
Pledges Receivables (Restricted)	46,056.83
Endowment and Similar Funds	
TOTAL OTHER RECEIVABLES	<u>\$ 46,056.83</u>

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Other Payable

Loan Fund	36,678.62
TOTAL OTHER PAYABLES	<u>36,678.62</u>

NOTE 25: Termination Benefits

Lamar University has no termination benefits to report as of August 31, 2011.

NOTE 26: Segment Information

Lamar University has no segments to report as of August 31, 2011.

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Agency 734 - Lamar University
 Schedule 1A
 For the Fiscal Year Ended August 31, 2011

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA NSE Name/ Identifying Number	Pass-through From			Pass-through To		
		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	Total Expenditures Amount
Agy/ Univ No		Agy/ Univ No	Agy/ Univ No	Agy/ Univ No	Agy/ Univ No	Agy/ Univ No	Agy/ Univ No
U.S. Department of Agriculture Pass-Through From: Grants for Agricultural Research, Special Research Grants Pass-Through From: Sul Ross State University	10.2	59,798.64	-	59,798.64	59,798.64	-	59,798.64
Totals - U.S. Department of Agriculture U.S. Department of Commerce Direct Programs:		59,798.64	-	59,798.64	59,798.64	-	59,798.64
Economic Development--Technical Assistance	11.303			71,225.45			71,225.45
Coastal Zone Management Administration Awards	11.419			54,205.44			54,205.44
Pass-Through From: General Land Office		54,205.44					
Totals - U.S. Department of Commerce U.S. Department of Defense Direct Programs:		54,205.44	-	71,225.45	125,430.89	-	125,430.89
U.S. Department of Defense U.S. Department of Defense	12.000 WM913M-05-C-1087 12.000 WM913M-10-C-0007 12.000			1,330,179.75 834,552.27 809,816.94			1,330,179.75 834,552.27 809,816.94
Pass-Through To: Texas State University - San Marcos					754		809,816.94
Pass-Through From: National Guard Military Operations and Maintenance (O&M) Projects Pass-Through From: Stephen F. Austin State University	12.401	109,232.39					109,232.39
Basic, Applied, and Advanced Research in Science and Engineering Pass-Through From: Sam Houston State University	12.630	299,729.26					299,729.26
Totals - U.S. Department of Defense U.S. Department of the Treasury Direct Programs: Taxpayer Service Totals - U.S. Department of the Treasury		408,961.65	-	2,974,546.96	3,383,510.61	-	3,383,510.61
U.S. Department of Defense U.S. Department of the Treasury Taxpayer Service Totals - U.S. Department of the Treasury	21.003			10,460.10 10,460.10			10,460.10 10,460.10
National Aeronautics and Space Administration Pass-Through From: Aerospace Education Services Program Pass-Through From: University of Texas at Austin	43.001	5,000.00					5,000.00
Totals - National Aeronautics and Space Administration		5,000.00	-	-	5,000.00	-	5,000.00

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Agency 734 - Lamar University
 Schedule 1A
 For the Fiscal Year Ended August 31, 2011

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA NSE Name/ Identifying Number	Pass-through From			Pass-through To			Total PT From and Direct Prog. Amount	Total Expenditures Amount
		Agcy/ Univ No	Pass-Through From Agencies or Universities Amount	Pass-Through From Non- State Entities Amount	Direct Program Amount	Pass-Through To Non-State Entities Amount	Pass-Through To Agencies or Universities Amount		
U.S. Department of Agriculture National Endowment For The Humanities Direct Programs:									
Promotion of the Humanities Federal/State Partnership	45.129				903.38		903.38	903.38	903.38
Promotion of the Humanities We the People	45.168				5,391.67		5,391.67	5,391.67	5,391.67
Totals - National Endowment For The Humanities					6,295.05		6,295.05	6,295.05	6,295.05
National Science Foundation									
Education and Human Resources	47.076	University of Louisiana State 232022		10,006.00			10,006.00	10,006.00	10,006.00
Direct Programs:									
Engineering Grants	47.041						121,332.88	121,332.88	121,332.88
Mathematical and Physical Sciences	47.049						10,428.86	10,428.86	10,428.86
Education and Human Resources	47.076						216,363.44	216,363.44	216,363.44
Totals - National Science Foundation							348,125.18	358,131.18	358,131.18
Small Business Administration									
Pass-Through From:									
Small Business Development Centers	59.037						85,583.80	85,583.80	85,583.80
Pass-Through From:									
University of Houston									
Totals - Small Business Administration							85,583.80	85,583.80	85,583.80
Environmental Protection Agency									
Congressionally Mandated Projects	66.202								
Pass-Through From:									
University of Houston									
Capitalization Grants for Drinking Water State Revolving Funds	66.468								
Pass-Through From:									
Stephen F. Austin State University									
Beach Monitoring and Notification Program Implementation Grants	66.472								
Pass-Through From:									
General Land Office									
Water Protection Grants to the States	66.474								
Pass-Through From:									
Stephen F. Austin State University									
Totals - Environmental Protection Agency									
U.S. Department of Education									
Fund for the Improvement of Postsecondary Education	84.116	University of Louisiana Lafayette/231080		577.07			577.07	577.07	577.07
Direct Programs:									
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84.325						577,142.03	577,142.03	577,142.03
Pass-Through From:									
Improving Teacher Quality State Grants	84.367						88,104.00	88,104.00	88,104.00

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Agency 734 - Lamar University
Schedule 1A
For the Fiscal Year Ended August 31, 2011

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA NSE Name/ Identifying Number	Pass-through From			Pass-through To			Total PT From and Direct Prog. Amount	Agy/ Univ No.	Pass- Through To Agencies or Universities Amount	Pass-Through To Non-State Entities Amount	Expenditures Amount	Total PT To and Expenditures Amount
		Agy/ Univ No	From Agencies or Universities Amount	From Non- State Entities Amount	Direct Program Amount	Through To Agencies or Universities Amount	Pass-Through To Non-State Entities Amount						
U.S. Department of Agriculture <i>Pass-Through From:</i> <i>Texas Higher Education Coordinating Board</i>	84.378	781	88,104.00				14,500.00					14,500.00	
College Access Challenge Grant Program <i>Pass-Through From:</i> <i>Texas Higher Education Coordinating Board</i>	84.378	781	14,500.00				14,500.00					14,500.00	
Totals - U.S. Department of Education U.S. Department of Health and Human Services <i>Direct Programs:</i>			102,604.00	577.07	577,142.03	680,323.10	680,323.10		-	-	680,323.10	680,323.10	
Advanced Education Nursing Traineeships Nurse Education, Practice and Retention Grants Nurse Education, Practice and Retention Grants <i>Pass-Through To:</i> <i>Lamar State College - Orange</i>	93.358 93.359 93.359				9,182.00 122,702.07 3,480.22	9,182.00 122,702.07 3,480.22	9,182.00 122,702.07 3,480.22				9,182.00 122,702.07 3,480.22	9,182.00 122,702.07 3,480.22	
Health Care and Other Facilities <i>Pass-Through From:</i> Foster Care Title IV-E <i>Pass-Through From:</i> <i>Department of Family and Protective Services</i>	93.887 93.658	530	65,834.24		78,560.21	78,560.21	78,560.21		3,480.22		78,560.21	78,560.21	
Totals - U.S. Department of Health and Human Services Research & Development Cluster National Science Foundation <i>Direct Programs:</i>			65,834.24	-	213,924.50	279,758.74	279,758.74		3,480.22	-	276,278.52	279,758.74	
Computer and Information Science and Engineering ARRA - Trans-NSF Recovery Act Research Support Totals - National Science Foundation U.S. Department of Health and Human Services Research Related to Deafness and Communication Disorders Biomedical Research and Research Training Totals - U.S. Department of Health and Human Services Public Works and Economic Development Cluster U.S. Department of Commerce <i>Direct Programs:</i>	47.070 47.082 93.173 93.859				341,490.46 45,904.56 387,395.02	341,490.46 45,904.56 387,395.02	341,490.46 45,904.56 387,395.02				341,490.46 45,904.56 387,395.02	341,490.46 45,904.56 387,395.02	
Economic Adjustment Assistance Totals - U.S. Department of Commerce Statewide Data Systems Cluster U.S. Department of Education <i>Pass-Through From:</i> Statewide Data Systems <i>Pass-Through From:</i> <i>Texas Higher Education Coordinating Board</i>	11.307 84.372	781	2,553.00		97,640.11	97,640.11	97,640.11				97,640.11	97,640.11	
Totals - U.S. Department of Education Student Financial Assistance Cluster U.S. Department of Education <i>Direct Programs:</i>			2,553.00	-	-	2,553.00	2,553.00				2,553.00	2,553.00	

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Agency 734 - Lamar University
 Schedule 1A
 For the Fiscal Year Ended August 31, 2011

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 Agencies or Univ	Pass-Through To Non-State Entities Amount	Expenditures Amount	Total PT To and Expenditures Amount
			From Agencies or Univ	From Non- State Entities							
U.S. Department of Agriculture	84.007					346,167.00			346,167.00	346,167.00	
Federal Supplemental Educational Opportunity Grants	84.003					353,321.70			353,321.70	353,321.70	
Federal Work-Study Program	84.038					60,239.00			60,239.00	60,239.00	
Federal Perkins Loan Program	84.063					20,188,149.37			20,188,149.37	20,188,149.37	
Federal Pell Grant Program	84.268					58,747,756.00			58,747,756.00	58,747,756.00	
Federal Direct Student Loans	84.375					204,866.35			204,866.35	204,866.35	
Academic Competitiveness Grants	84.375					147,238.00			147,238.00	147,238.00	
National Science and Mathematics Access to Retain Talent (SMART) Grants	84.379					84,625.00			84,625.00	84,625.00	
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379					84,625.00			84,625.00	84,625.00	
Totals - U.S. Department of Education						80,132,362.42			80,132,362.42	80,132,362.42	
U.S. Department of Health and Human Services	93.925					24,848.00			24,848.00	24,848.00	
Scholarships for Health Professions Students from Disadvantaged Backgrounds						24,848.00			24,848.00	24,848.00	
Totals - U.S. Department of Health and Human Services						24,848.00			24,848.00	24,848.00	
State Fiscal Stabilization Fund Cluster											
U.S. Department of Education											
ARRA - State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397					3,434,094.92			3,434,094.92	3,434,094.92	
Pass-Through From:											
Texas Higher Education Coordinating Board					781	3,434,094.92					
Totals - U.S. Department of Education						3,434,094.92			3,434,094.92	3,434,094.92	
TRIO Cluster											
U.S. Department of Education											
Direct Programs:											
TRIO Student Support Services	84.042					224,638.69			224,638.69	224,638.69	
TRIO McNair Post-Baccalaureate Achievement	84.217					223,373.50			223,373.50	223,373.50	
Totals - U.S. Department of Education						448,012.19			448,012.19	448,012.19	
WIA Cluster											
U.S. Department of Labor											
Pass-Through From:											
WIA Adult Program	17.268					39,787.70			39,787.70	39,787.70	
Pass-Through From:											
Texas Workforce Commission					320	39,787.70					
WIA Dislocated Workers	17.260					67,232.76			67,232.76	67,232.76	
Pass-Through From:											
Texas Workforce Commission					320	67,232.76					
Totals - U.S. Department of Labor						107,020.46			107,020.46	107,020.46	
Total Expenditures of Federal Awards						4,372,577.58	10,583.07	331,148.08	88,594,642.39	89,739,087.63	

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Agency 734 - Lamar University
 Schedule 1A
 For the Fiscal Year Ended August 31, 2011

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 of Governmental Funds - Federal Revenue (Exh. II)
 Proprietary Funds - Federal Revenue (Operating Statement)
 Less Reconciling Items:
 Non-Monetary Programs
 Federal Commodities
 Federal Surplus Property

	\$ 30,931,092.63
--	------------------

	60,239.00
	58,747,756.00
	\$ 89,739,087.63

Total Pass-Through & Expenditures Per Federal Schedule

Note 3: Student Loans Processed and Administrative Costs Recovered

Federal Grantor/ CFDA Number /Program Name	New Loans Processed	Admin. Costs Recovered	Total Loans Processed & Admin. Costs. Costs Recovered	Ending Balances of Previous Years' Loans
U.S. Department of Education				
84.038 Federal Perkins Loan Program	60,239.00	-	-	\$ 995,348.88
84.268 Federal Direct Student Loans	58,747,756.00			
Total Department of Education	\$ 58,807,995.00			\$ 995,348.88

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.

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Lamar University (734)
Schedule 1B
Schedule of State Grant Pass-Throughs From/To State Agencies
For the Year Ended August 31, 2011

Pass Through From:

Department of State Health Services (Agy. # 537)	
Obesity	7,782.54
Texas Commission on Environmental Quality (Agy. # 582)	
Photochemical Modeling Emmissions Inventory Data	265,263.76
Texas Education Agency (Agy. #701)	
Texas Academy for Leadership in Humanities Per Capita	30,739.00
TALH Formula	285,125.00
TALH Technology	1,939.00
TALH Virtual School Network	15,000.00
University of Texas at Arlington (Agy. # 714)	
College & Career Readiness Initiative Faculty Colaborative Program	9,694.75
University of Texas System (Agy. #720)	
Joint Admission Medical Program (JAMP)	16,378.00
Texas State University (Agy. # 754)	
Limited English Proficient	33,842.02
Texas Higher Education Coordinating Board (Agy. # 781)	
Financial Aid - Prof Nursing	10,084.00
Nursing and Allied Health	135,373.00
TEXAS Grant Program	4,963,201.00
Nursing Shortage Reduction Program	42,039.00
Promote Participation and Sucess	8,750.00
Engineering Recruitment Prog	34,267.00
College Work Study Program	160,735.00
College Readiness Initiative	381,328.62
Top 10% Scholarships	114,375.00
Combat Exemption Program SB297	1,896.00
Early High School Program	43,458.50
Certified Edu Aide Program	107,271.72

Total Pass Through From Other Agencies (Exh II)

6,668,542.91

Pass Thru To:

Texas A&M University (Main University) (Agy. #711)	
Cyanide Remediation: Evolving Improved Enzymes Development and Deployment of A Fage	11,724.73

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Lamar University (734)
Schedule 1B
Schedule of State Grant Pass-Throughs From/To State Agencies
For the Year Ended August 31, 2011

Instrument for Urban Hox Measurements, Year 2	32,269.55
On-Line Chemical Analysis of Ambient Organic Aerosols	21,081.70
Texas Engineering Experiment Station (Agy. #712) Characterization of Trace-Level, Biologically Active Chemical Contaminants in Medical Facility Wastewaters	3,165.73
Discovery Investigation of Advanced Reduction Processes	22,222.81
Biodegradation of 1,2,3-Trichloropropane	18,180.32
An Advanced Reduction Process Using Sulfite and Ultraviolet Light	1,375.29
A 3D Eulerian Modeling Study of Ozone and Secondary Organic Aerosol Formation in Texas Using the Master Chemical Mechanism	21,899.08
University of Texas (Agy. # 721) Catalyst Substrates With Nanoscale Features For Enhanced Reaction Activity	12,217.16
Development and Application of a Lagrangian Process Analysis Module in CAMx	190.80
Implementation of Modified Carbon Bond Mechanisms in CAMx	727.19
Investigation of flare destruction efficiency and the impacts on ozone formation in the Houston-Galveston-BrazoriaArea	1,100.00
Remote Monitor for Metal ions in Natural and Wastewater Systems	22,376.71
Establishing O3 and NOx Boundary Conditions for Eastern Texas Using Satellite Remote Sensing Observations	41,749.87
Assessment and Remediation of Oil-Impacted Wetlands	29,679.87
Rainwater Harvesting: Water Quality for Potable and Non-potable Use	18,174.54
Homogeneous and heterogeneous atmospheric halogen chemistry in urban atmospheres of the Gulf Coast	43,547.30
University of Houston (Agy. # 730)	

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Lamar University (734)
Schedule 1B
Schedule of State Grant Pass-Throughs From/To State Agencies
For the Year Ended August 31, 2011

Tracking Emissions from On-Road Vehicles: Developing Metal Tracers Based on Measurements in the Washburn Tunnel	382.50
Meteorology Modeling with WRF for Houston Air Quality	11,200.10
Subsurface Multiphase Flow Characteristics of Bioalcohol Fuels and Groundwater Quality	20,348.28
Ammonia Formation During Periodic Nox Reduction	1,255.35
Investigation of the Role of Trace Metals in Sulfate Aerosol Foundation	1,066.32
Mitigation of Biological Inorganic Fouling for Waste Stream Reduction in Membrane Filtration	42,055.33
Erosion of Muddy Sediments in the Houston Ship Channel Due to Turbulent Flow: Implications for Transport of Pollutants Attached to Fine Muddy Sediments	17,505.06
Reactive Air Sparging for Simultaneous Removal of MTBE and TBA in Groundwater	10,068.28
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	25,000.00
Accurate Air Pollution Source Attribution by Improving Mass Consistency/Conservation in Air Quality Modeling	42,011.81
Metals Analysis for Tracking Particulate Matter from Mobile Sources and Petroleum Refining Operation in Houston	107,221.60
Total Pass Through To Other Agencies (Exh II)	<u><u>579,797.28</u></u>

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Lamar University
Schedule 2E
Schedule of Defeased Bonds Outstanding
For the Year Ended August 31, 2011

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

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Texas State University System
Lamar University
Schedule 3 - Reconciliation of Cash in State Treasury
August 31, 2011

Cash in State Treasury	Unrestricted	Restricted	Current Year Total
Local Revenue Fund 02XX	\$ 6,570,447.43	\$ -	\$ 6,570,447.43
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)	\$ 6,570,447.43	\$ -	\$ 6,570,447.43

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LAMAR UNIVERSITY - BEAUMONT
 SCHEDULE 4
 SCHEDULE OF HIGHER EDUCATION ASSISTANCE FUND
 For the Year Ended August 31, 2011

	CURRENT FUNDS		PLANT FUNDS		Total
	Educational and General	Designated	Unexpended	Retirement of Indebtedness	
Balances - September 1, 2010	\$ 13,954,726.98	\$ -	\$ -	\$ -	13,954,726.98
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	4,033,283.36				4,033,283.36
Capital Outlay	929,673.97		3,460,528.26		4,390,202.23
Construction in Progress					
Bonds Retired					
Interest Expense					
Other Equipment					
Total Expenditures	\$ 4,962,957.33	\$ -	\$ 3,460,528.26	\$ -	\$ 8,423,485.59
Transfers:					
Mandatory:					
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -
Other					-
Non-mandatory Transfers	(3,460,528.26)		3,460,528.26		-
Transfers From/(To) Other Agencies					-
Total Transfers	\$ (3,460,528.26)	\$ -	\$ 3,460,528.26	\$ -	\$ -
Balances - August 31, 2011	\$ 13,862,174.39	\$ -	\$ -	\$ -	\$ 13,862,174.39
Balances - August 31, 2011					
Consists of:					
Encumbrances					\$ -
Reserved for HEAF Projects	13,862,174.39				13,862,174.39
Total Balances - August 31, 2011	\$ 13,862,174.39	\$ -	\$ -	\$ -	\$ 13,862,174.39

