

# Annual Financial Report

Fiscal Year 2016

September 1, 2015–August 31, 2016



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



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

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**LAMAR UNIVERSITY**

MEMBER THE TEXAS STATE UNIVERSITY SYSTEM™

November 20, 2016

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

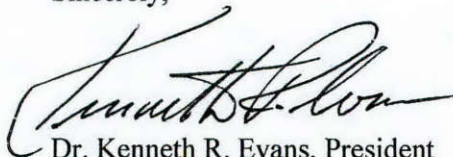
Ladies and Gentlemen:

We are pleased to submit the Annual Financial Report of the Lamar University for the year ended August 31, 2016, in compliance with Texas Government Code Annotated, Section 2101.011, and in accordance with the requirements established by the Texas Comptroller of Public Accounts.

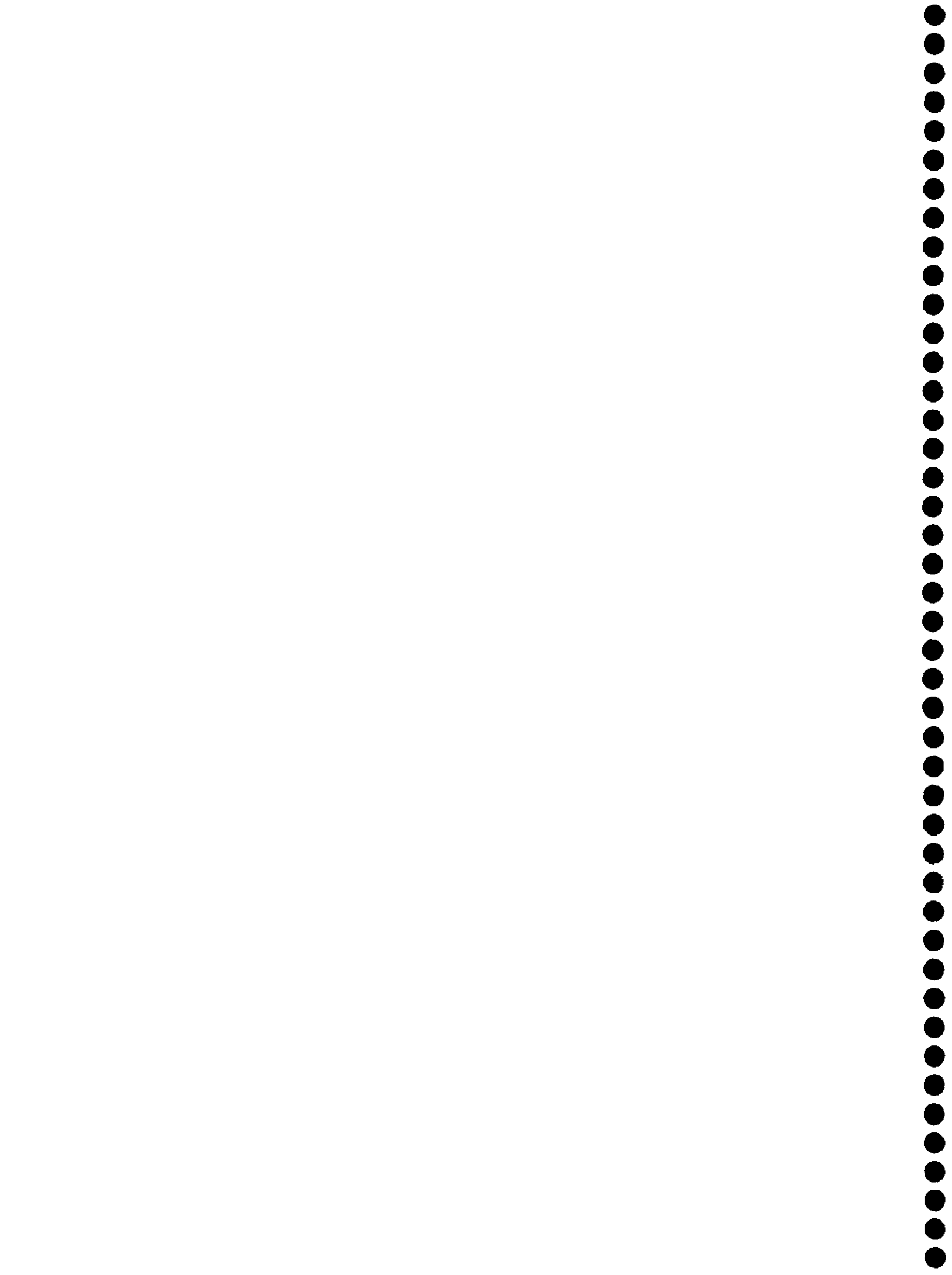
Due to the statewide requirements embedded in **Governmental Accounting Standards Board (GASB) 34**, the Comptroller of Public Accounts does not require the accompanying Annual Financial Report to comply with all the requirements in this statement. The financial report will be considered for audit by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

If you have any questions regarding the Schedule of Expenditures of Federal Awards, please contact Mr. E. Craig Ness, Vice President for Finance and Operations or Ms. Twila Baker, Associate Vice President for Finance at (409)880-8931.

Sincerely,



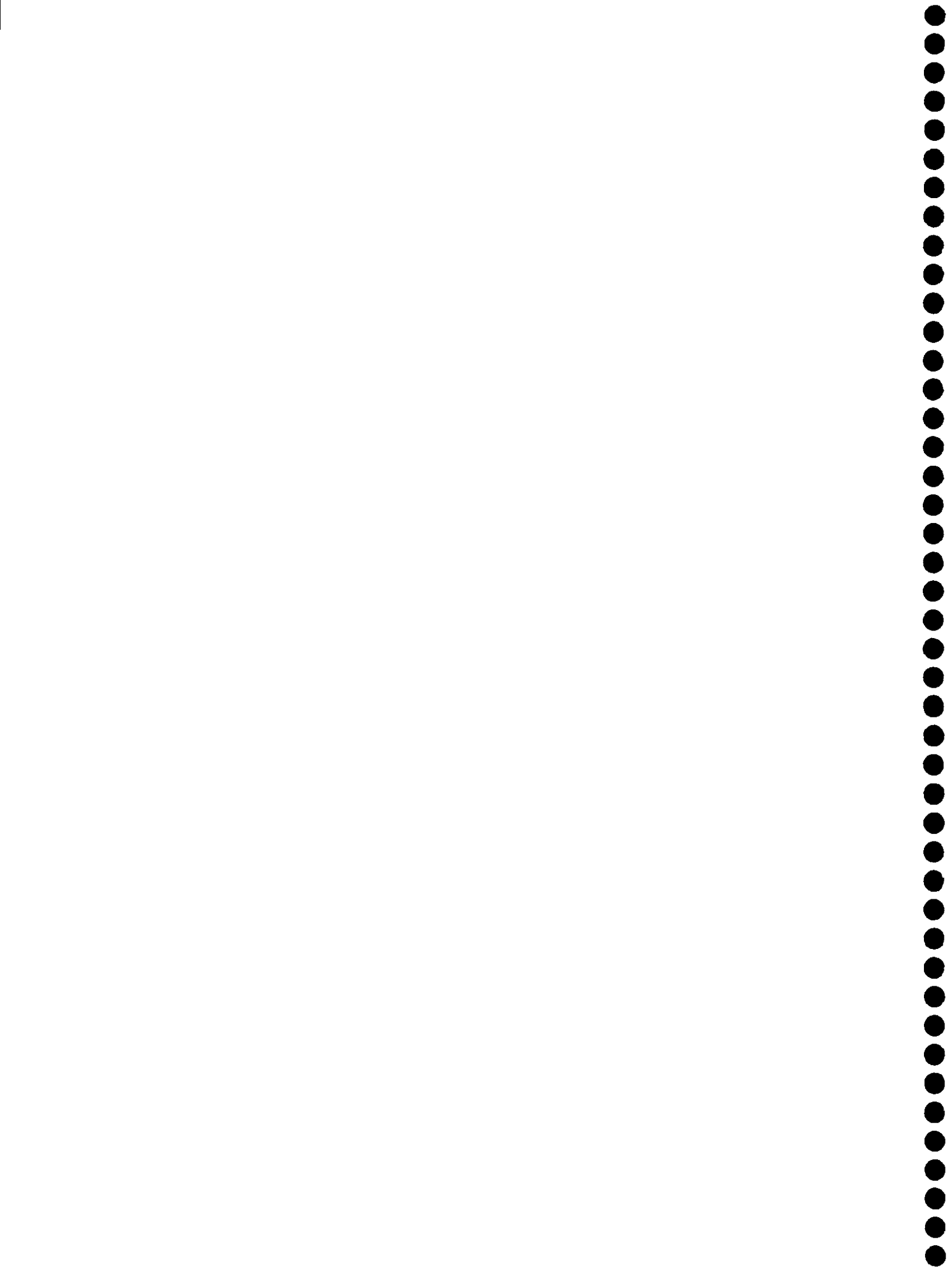
Dr. Kenneth R. Evans, President  
Lamar University



LAMAR UNIVERSITY

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**LAMAR UNIVERSITY**

MEMBER THE TEXAS STATE UNIVERSITY SYSTEM™

November 20, 2016

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

Dear Dr. Evans:

Submitted herein is the Annual Financial Report of Lamar University for fiscal year ended August 31, 2016.

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 Twila Baker at (409) 880-8931.

Respectfully submitted,

Twila Baker  
Associate Vice President for Finance

Approved:

Mr. Edward C. Ness  
Vice President for Finance and Operations

# Lamar University

A Member of The Texas State University System

ORGANIZATIONAL DATA AS OF AUGUST 31, 2016

## The Texas State University System

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### BOARD OF REGENTS

#### OFFICERS

Dr. Jaime R. Garza	Chairman
Rossanna Salazar	Vice Chairman

#### MEMBERS

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

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### ADMINISTRATIVE OFFICERS

#### SYSTEM OFFICE

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

#### Lamar University

### ADMINISTRATIVE OFFICERS

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



# UNAUDITED

## Lamar University

Texas State University System  
Student Enrollment Data  
For the Year Ended August 31, 2016

TYPE OF STUDENT	NUMBER OF STUDENTS BY SEMESTER			
	FALL 2015	SPRING 2016	SUMMER TERM 2016	
			FIRST	SECOND
Texas Residents	12,205	11,388	3,586	3,478
Out of State (Classified as Residents)				
Out of State	134	107	28	26
Foreign	552	481	174	169
Children of Disabled Firemen or Peace Officers				
Children of Deceased Public Servants	1	1	1	
Children of Professional Nurses				
Peace Officer	56	44	10	9
Concurrent Enrollment	13	21	4	4
Foster Children of the State	16	13	3	2
Good Neighbor	4	3	1	1
High School Honor Scholarships				
High Ranking Senior	9	9		
Hazelwood Act	555	560	179	147
Senior Citizens	3	4		
Commission for the Blind/Deaf	67	66	27	22
Fireman Exempt				
Thesis Only				
Nursing	1	2	1	
Faculty/Staff	1		1	
Teaching Assistants	1	3		
Competitive Scholarships	722	679	215	205
Military Personnel and Dependents	14	19	4	4
Louisiana Adjacent County				
Mexico Pilot				
National Student Exchange Program				
Reciprocal Exchange International				
New Mexico Adjacent County				
Texas Tomorrow Waiver				
Adopted Students	26	24	9	8
Pase				
Distance Learning				
Family & Consumer Science Alliance Agreement				
Clinical Preceptor Exempt	7	5	1	
Beaumont-Louisiana Non-resident	106	82	28	28
Economic Development	1			
Multi Texas University				
TDCJ-54.218 Education Code				
Trio Grant Math 0301				
HB 1406 Non US Citizen				
Totals	14,494	13,511	4,272	4,103 *

### Enrollment Data (Fall Semester )

Fiscal Year	STUDENTS	SEMESTER HOURS
2016	14,494	128,916
2015	14,452	137,925
2014	13,762	133,664
2013	14,288	140,221
2012	14,021	131,766

## Proprietary Fund Financial Statements

Proprietary Fund Financial Statements



### Lamar University Visionary Initiatives

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After soliciting and reviewing nearly 50 proposals from faculty and staff, five visionary projects were selected campus-wide that build on existing, distinctive strengths within LU, can secure additional future resources and foster collaboration across disciplines.

Each of the initiatives are highlighted in this Annual Financial Report for Lamar University 2015-2016.

1. The Center for History and Culture of Southeast Texas and the Upper Gulf Coast
2. The Center for Digital Learning
3. Interdisciplinary Freshman Experience
4. The Center for Applications of Digital Technologies in Health and Disability
5. The Flare and Abnormal Situation Management Research for Petroleum and Chemical Process Industries



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

## Proprietary Fund Financial Statements



### The Center for History and Culture of Southeast Texas and the Upper Gulf Coast

CHC will promote the creation, preservation and transmission of knowledge of Southeast Texas, particularly the role of energy and its impact on the area. It will also serve to attract visitors from across the nation, being located less than two miles from the original Spindletop Lucas gusher. The interdisciplinary, multicultural center will promote public engagement through publications, exhibits and cultural performances, sponsorship of lectures and symposia, innovative curriculum, and support of faculty and students in their research. The CHC offers LU the opportunity to establish a regional identity.



Proprietary Fund Financial Statements



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**Texas State University System  
Lamar University  
Statement of Net Assets  
August 31, 2016**

	<b>Total</b>
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents (Note 3)	
Cash on Hand	18,200.00
Cash in Bank	22,685,098.00
Cash in Transit/Reimburse from Treasury	
Cash in State Treasury (Schedule 3)	6,204,795.28 (schedule 3)
Cash Equivalents	14,488,715.50
Securities Lending Collateral	
Short Term Investments (Note 3)	
Restricted:	
Cash and Cash Equivalents (Note 3)	
Cash on Hand	
Cash in Bank	5,426,787.30
Cash in Transit/Reimburse from Treasury	
Cash in State Treasury	(schedule 3)
Cash Equivalents	
Short Term Investments (Note 3)	
Legislative Appropriations	1,284,901.57
Receivables:	
Federal	2,174,011.47
Other Intergovernmental	
Interest and Dividends	38.16
Accounts Receivable	30,934,769.14
Gifts, Pledges and Donations	1,100,000.00
Investment Trades	
Other	
Interfund Receivable (Note 12)	9,701,640.00
Due From Other Agencies (Note 12)	1,939,336.94
Consumable Inventories	
Merchandise Inventories	163,755.43
Prepaid Items	4,444,855.34
Loans and Contracts	4,841,403.66
Other Current Assets	
<b>Total Current Assets</b>	<b><u>105,408,307.79</u></b>

**Texas State University System  
Lamar University  
Statement of Net Assets  
August 31, 2016**

	<b>Total</b>
Non-Current Assets:	
Restricted:	
Cash and Cash Equivalents (Note 3)	
Cash on Hand	
Cash in Bank	9,251,709.73
Cash in Transit/Reimburse from Treasury	
Cash in State Treasury	
Cash Equivalents	9,098,088.98
Short Term Investments (Note3)	
Receivables	2,252.69
Investments (Note 3)	50,415,088.36
Loans and Contracts	
Other Assets	
Loans and Contracts	
Investments (Note 3)	
Interfund Receivables (Note 12)	
Gifts, Pledges and Donations	
Capital Assets: (Note 2)	
Non-Depreciable or Non-Amortizable	
Land and Land Improvements	11,583,119.49
Infrastructure	
Construction in Progress	28,682,412.29
Other Capital Assets	2,304,572.99
Depreciable or Non-Amortizable	
Buildings and Building Improvements	251,680,701.52
Less Accumulated Depreciation	-130,246,743.24
Infrastructure	17,106,486.90
Less Accumulated Depreciation	-12,703,533.19
Facilities and Other Improvements	23,352,478.93
Less Accumulated Depreciation	-12,602,882.45
Furniture and Equipment	24,698,006.57
Less Accumulated Depreciation	-18,547,999.83
Vehicles, Boats, and Aircraft	1,666,407.40
Less Accumulated Depreciation	-1,174,386.79
Other Capital Assets	22,809,426.92
Less Accumulated Depreciation	-20,558,690.93
Amortizable Assets-Intangible	
Less Accumulated Amortization	
Assets Held in Trust	
Other Non-Current Assets	
Total Non-Current Assets	<u>256,816,516.34</u>
Total Assets	<u>362,224,824.13</u>

**Texas State University System  
Lamar University  
Statement of Net Assets  
August 31, 2016**

	<b>Total</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Derivative Hedging Instrument Assets	
Deferred Outflow of Resources	
Total Deferred Outflows of Resources	<u>0.00</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Payables from:	
Accounts	3,553,668.78
Investment Trades	
Payroll	10,156,576.11
Other Intergovernmental	
Federal	
Interest	
Other	
Interfund Payable (Note 12)	9,701,640.00
Due to Other Agencies (Note 12)	7,511,315.00
Unearned Revenues	49,901,144.93
Short Term Debt	
Notes and Loans Payable (Note 5)	
Revenue Bonds Payable (Note 5, 6)	
General Obligation Bonds Payable (Note 5, 6)	
Claims and Judgments (Note 5)	
Employees' Compensable Leave (Note 5)	506,732.75
Capital Lease Obligations (Note 5, 8)	
Contract Retainage Payable	
Liabilities Payable from Restricted Assets	
Obligations/Reverse Repurchase Agreements	
Obligations Under Securities Lending	
Funds Held for Others	333,546.49
Other Current Liabilities	154,800.00
Total Current Liabilities	<u>81,819,424.06</u>
Non-Current Liabilities:	
Interfund Payable (Note 12)	
Notes and Loans Payable (Note 5)	
Revenue Bonds Payable (Note 5, 6)	
General Obligation Bonds Payable (Note 5, 6)	
Claims and Judgments (Note 5)	
Liabilities Payable from Restricted Assets	
Employees' Compensable Leave (Note 5)	2,871,485.51
Capital Lease Obligations (Note 5, 8)	
Assets Held for Others	
Pollution Remediation Obligations	
Other Non-Current Liabilities	311,887.76
Total Non-Current Liabilities	<u>3,183,373.27</u>
Total Liabilities	<u>85,002,797.33</u>

**Texas State University System  
Lamar University  
Statement of Net Assets  
August 31, 2016**

	<b>Total</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Derivative Instrument Liabilities	
Deferred Inflow of Resources	
<b>Total Deferred Inflows of Resources</b>	<u>0.00</u>
<b>NET POSITION</b>	
Invested in Capital Assets, Net of Related Debt	188,049,376.58
Restricted For	
Education	
Debt Service	
Capital Projects	9,324,618.48
Funds Held As Permanent Investments:	
Non-Expendable	18,697,051.80
Expendable	3,130,935.15
Other	9,705,922.91
Unrestricted	<u>48,314,121.88</u>
<b>Total Net Position</b>	<u><u>277,222,026.80</u></u>



Texas State University System  
**Lamar University**  
Statement of Revenues, Expenses, and Changes in Net Assets  
For the Fiscal Year Ended August 31, 2016

	<u>Total</u>
<b>OPERATING REVENUES</b>	
Sales of Goods and Services	
Tuition and Fees - Pledged	136,140,702.14
Discounts and Allowances	-24,905,106.44
Professional Fees-Non-pledged	
Professional Fees - Pledged	
Discounts and Allowances	
Auxiliary Enterprises-Non-pledged	
Auxiliary Enterprises - Pledged	24,152,215.06
Discounts and Allowances	
Other Sales of Goods and Services-Non-Pledged	
Other Sales of Goods and Services - Pledged	457,072.95
Discounts and Allowances	
Interest and Investment Income Non-pledged	187,180.81
Interest and Investment Income Pledged	
Net Increase (Decrease) Fair Market Value -Non-pledged	19,393.57
Net Increase (Decrease) Fair Market Value -Pledged	
Federal Revenue-Operating	2,362,655.36
Federal Pass-Through Revenue	2,694,744.64
State Grant Revenue	19,852.59
State Grant Pass-Through Revenue	5,635,282.96
Other Grants and Contracts -Non-pledged	1,156,862.84
Other Grants and Contracts-Pledged	
Contributions to Retirement System	
Other Operating Revenues - Non-pledged	
Other Operating Revenues - Pledged	<u>1,924,354.59</u>
Total Operating Revenues	<u>149,845,211.07</u>
<b>OPERATING EXPENSES</b>	
Instruction	62,874,243.30
Research	2,787,894.84
Public Service	1,705,172.52
Academic Support	33,346,070.40
Student Services	8,665,744.14
Institutional Support	24,414,452.39
Operation and Maintenance of Plant	12,832,437.71
Scholarship and Fellowships	28,042,154.05
Auxiliary Enterprise Expenditures	30,137,340.17
Depreciation and Amortization	<u>8,541,478.71</u>
Total Operating Expenses	<u>213,346,988.23</u>
Operating Income (Loss)	<u>-63,501,777.16</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>	
Legislative Revenue	48,617,011.00
Additional Appropriations	13,925,877.63
Federal Revenue	16,526,314.00
Federal Pass-Through Revenue	
State Grant Pass-Through Revenue	
Gifts-Non-Pledged	6,931,035.33

Texas State University System  
**Lamar University**  
Statement of Revenues, Expenses, and Changes in Net Assets  
For the Fiscal Year Ended August 31, 2016

	<u>Total</u>
Gifts - Pledged	
Land Income	
Interest and Investment Income (Expense) -Non-Pledged	791,563.00
Interest and Investment Income (Expense) - Pledged	44,745.22
Loan Premium/Fees Securities Lending	
Investing Activities Expenses	
Interest Expenses and Fiscal Charges	
Borrower Rebates and Agent Fees	
Gain (Loss) on Sale of Capital Assets	-450,570.17
Net Increase (Decrease) in Fair Value of Investments-Non-pledged	171,884.06
Net Increase (Decrease) in Fair Value of Investments - Pledged	
Settlement of Claims	
Other Nonoperating Revenues (Expenses) Non-pledged	
Other Nonoperating Revenue (Expenses)-Pledged	-324,894.72
<b>Total Nonoperating Revenues (Expenses)</b>	<u>86,232,965.35</u>
Income (Loss) before Other Revenues, Expenses, Gains/Losses and Transfers	22,731,188.19
<b>OTHER REVENUES, EXPENSES, GAINS/LOSSES AND TRANSFERS</b>	
Capital Contributions	
Capital Appropriations (HEAF)	9,401,255.00
Federal Grant - Capital Grant Contributions	
Contributions to Permanent and Term Endowments	
Special Items	
Extraordinary Items	
Increase NA Interagency Transfer Capital Assets (Note 12)	
Decrease NA Interagency Transfer Capital Assets (Note 12)	
Transfer In (Note 12)	194,927.00
Transfer Out (Note 12)	-11,263,209.83
Legislative Transfer In (Note 12)	256,660.00
Legislative Transfer Out (Note 12)	-2,457,631.00
Lapses	
<b>Total Other Revenues, Expenses, Gains/Losses and Transfers</b>	<u>-3,867,998.83</u>
Change in Net Position	<u>18,863,189.36</u>
Net Position, September 1, 2015	258,353,021.22
Restatements (Note 14)	5,816.22
Net Position, September 1, 2015, as Restated	<u>258,358,837.44</u>
<b>NET POSITION, August 31, 2016</b>	<u><u>277,222,026.80</u></u>

UNAUDITED  
Lamar University (734)

Texas State University System  
Lamar University  
Matrix of Operating Expenses Reported by Function  
For the Fiscal Year Ended August 31, 2016

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
Goods Sold												0.00
Salaries and Wages	48,461,597.24	1,572,488.69		755,559.31	10,061,828.29	5,650,256.62	11,420,234.86	6,072,726.68		8,204,778.73		92,199,470.42
Travel-Related Costs	10,892,098.37	134,378.99		191,342.32	2,392,545.79	1,768,572.80	3,034,988.18	2,163,192.34		1,881,889.39		22,459,008.18
Professional Fees and Services	370,966.57	0.00		422,314.34	13,415,919.16	350,599.84	1,528,005.41	495,121.41		1,100,157.89		17,683,084.62
Grant Pass-Through Expense												0.00
Grant Pass-Through Expense		302,418.86										302,418.86
Printing	716,129.18	155,752.59		16,680.52	979,708.76	219,919.09	188,409.79	29,074.11		1,678,499.72		3,984,173.76
Books and Supplies	1,073,151.03	249,398.80		122,339.02	1,794,306.54	319,228.95	2,943,806.92	1,083,348.46		6,141,397.36		13,726,977.08
Communications and Utilities	27,288.60	180.00		4,087.36	12,225.15	5,603.31	435,657.22	1,694,882.86		2,017,608.36		4,197,532.86
Repairs and Maintenance	91,336.58	4,967.23		4,109.24	237,020.43	18,549.55	622,334.78	1,008,190.83		2,028,577.00		4,015,085.64
Leases and Leases	78,085.82	1,743.97		9,619.53	51,059.54	27,203.35	105,306.90	18,086.26		243,939.65		535,045.02
Equipment and Reproduction	51,304.22	4,652.61		13,270.78	46,400.02	91,015.32	57,816.65	9,972.99		123,809.82		398,242.41
Depreciation and Amortization*											8,541,478.71	8,541,478.71
Gift Expense												0.00
Grants												0.00
Contracts and Judgments									28,042,154.05	5,325,037.61		33,367,191.66
Operating Expenses	1,112,285.69	381,913.10		165,850.10	4,355,056.72	214,795.31	4,077,891.68	257,841.77		1,391,644.64		11,937,279.01
Operating Expenses	62,874,243.30	2,787,894.84	0.00	1,705,172.52	33,346,070.40	8,665,744.14	24,414,452.39	12,832,437.71	28,042,154.05	30,137,340.17	8,541,478.71	213,346,988.23

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

UNAUDITED  
Lamar University (734)

Texas State University System  
Lamar University  
Statement of Cash Flows  
For the Fiscal Year Ended August 31, 2016

	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from Customers	457,072.95
Proceeds from Tuition and Fees	114,826,528.30
Proceeds from Research Grants and Contracts	11,536,186.85
Proceeds from Gifts	
Proceeds from Loan Programs	
Proceeds from Auxiliaries	24,152,215.06
Proceeds from Other Operating Revenues	2,130,928.97
Payments to Suppliers for Goods and Services	-49,884,848.63
Payments to Employees for Salaries	-78,664,676.05
Payments to Employees for Benefits	-22,459,008.18
Payments for Loans Provided	
Payments for Other Operating Expenses	-48,446,278.07
Net Cash Provided by Operating Activities	<u>-46,351,878.80</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Proceeds from Debt Issuance	
Proceeds from State Appropriations	71,944,143.90
Proceeds from Gifts	6,931,035.33
Proceeds from Endowments	
Proceeds of Transfers from Other Funds	
Proceeds from Grant Receipts	16,526,314.00
Proceeds from Advances from Other Funds	
Proceeds from Loan Programs	
Proceeds from Other Noncapital Financing Activities	451,587.00
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 Noncapital Financing Uses	-6,947,051.35
Net Cash Provided by Noncapital Financing Activities	<u>88,906,028.88</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Proceeds from the Sale of Capital Assets	-450,570.17
Proceeds from Debt Issuance	
Proceeds from State Grants and Contracts	
Proceeds from Federal Grants and Contracts	
Proceeds from Gifts	
Proceeds from Other Capital and Related Financing Activities	
Proceeds from Capital Contributions	
Proceeds from Advances from Other Funds	
Payments for Additions to Capital Assets	-18,046,336.42
Payments of Principal on Debt	-6,793,148.93
Payments for Capital Leases	-917,137.71
Payments of Interest on Debt Issuance	-4,538,221.19
Payments for interfund receivables	
Payments of Other Costs of Debt Issuance	
Net Cash Provided by Capital and Related Financing Activities	<u>-30,745,414.42</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from Sales of Investments	
Proceeds from Interest Income	836,308.22
Proceeds from Investment Income	
Proceeds from Principal Payments on Loans	

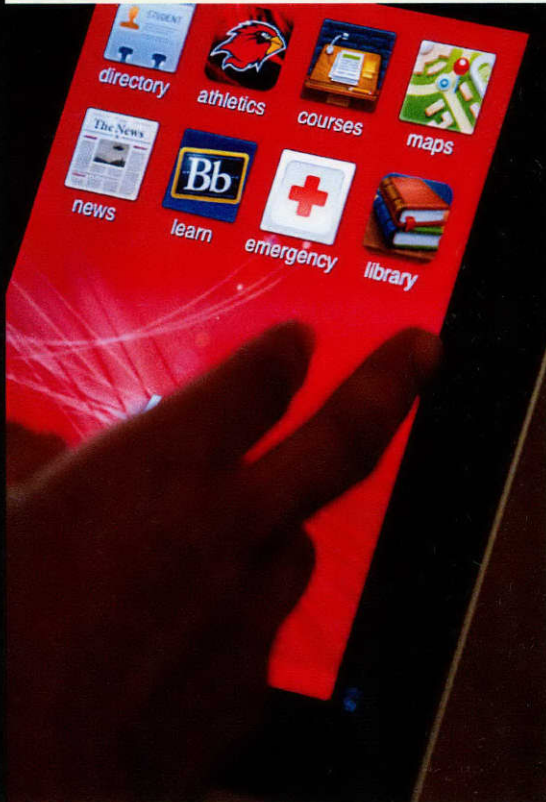
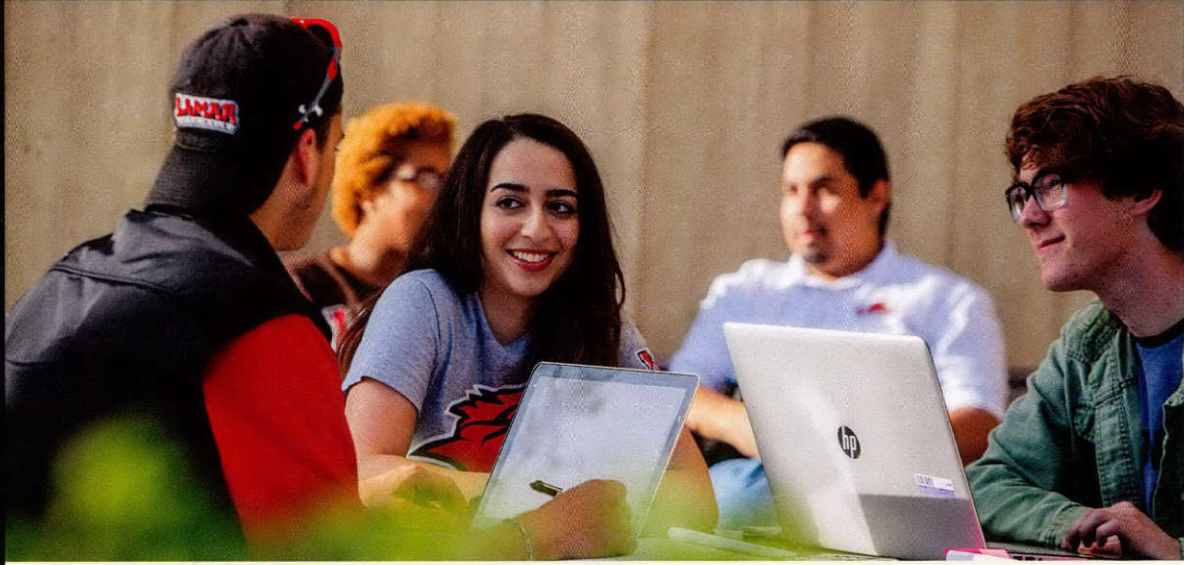
UNAUDITED  
Lamar University (734)

Texas State University System  
Lamar University  
Statement of Cash Flows  
For the Fiscal Year Ended August 31, 2016

	<b>Total</b>
Payments to Acquire Investments	-40,657,276.14
Payments for Nonprogram Loans Provided	
Net Cash Provided by Investing Activities	<u>-39,820,967.92</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-28,012,232.26
Cash and Cash Equivalents, September 1, 2015	95,185,627.05
Changes in Accounting Principle	
Changes in Reporting Entity	
Restatements to Beginning Cash and Cash Equivalents	
Cash and Cash Equivalents, September 1, 2015- Restated	<u>95,185,627.05</u>
Cash and Cash Equivalents, August 31, 2016	<u>67,173,394.79</u>
 <b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating Income (Loss)	-63,501,777.16
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Amortization and Depreciation	8,541,478.71
Bad Debt Expense	
Operating Income (Loss) and Cash Flow Categories: Classification Differences	
Changes in Assets and Liabilities:	
(Increase) Decrease in Receivables	2,601,963.22
(Increase) Decrease in Due from Other Funds	0.00
(Increase) Decrease in Inventories	3,549.04
(Increase) Decrease in Prepaid Expenses	594,048.85
(Increase) Decrease in Notes Receivable	-537,213.66
(Increase) Decrease in Loans & Contracts	0.00
(Increase) Decrease in Other Assets	0.00
(Increase) Decrease in State Appropriations	0.00
Increase (Decrease) in Payables	4,637,397.89
Increase (Decrease) in Deposits	0.00
Increase (Decrease) in Due to Other Funds	0.00
Increase (Decrease) in Unearned Revenue	1,196,578.74
Increase (Decrease) in Compensated Absence Liability	112,095.57
Increase (Decrease) in Benefits Payable	
Increase (Decrease) in Other Liabilities	
Total Adjustments	<u>17,149,898.36</u>
Net Cash Provided by Operating Activities	<u>-46,351,878.80</u>
 <b>Non Cash Transactions</b>	
Donation of Capital Assets	90,269.16
Net Change in Fair Value of Investments	171,884.06
Borrowing Under Capital Lease Purchase	
Other	

## Notes to the Basic Financial Statements

Notes to the Basic Financial Statements



### The Center for Digital Learning

This initiative will provide necessary management and administrative skills to implement and maintain an effective digital learning environment. Participants in the CDL will perform research studies, write and public research papers, collaborate with technology companies, and provide professional development.



## Notes to the Basic Financial Statements



### Interdisciplinary Freshman Experience

The Interdisciplinary Freshman Experience bring together students of diverse backgrounds and interests—from disciplines that do not typically interact in the undergraduate curriculum—to work as groups toward a common goal. Their teamwork will help them develop crucial professional skills such as problem solving, time management, innovation and interpersonal communication. Through this experience, students will be better prepared for real-world problem solving as they learn that most tasks in industry and society are interdisciplinary in nature. Additionally, this program will teach students to value diversity.



Notes to the Basic Financial Statements



**LAMAR UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

**August 31, 2016**

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

**Entity**

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

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

**Fund Structure**

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

**Proprietary Funds**

Business Type Activity

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



### **Component Units**

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

### **Basis of Accounting**

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

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

### **Budget and Budgetary Accounting**

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

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

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

### **ASSETS**

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

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

#### **Securities Lending Collateral**

Investments are generally stated at fair value with certain exceptions in accordance with **GASB Statement No. 72 *Fair Value Measurement and Application***.

Invested security lending collaterals are measured at fair value.

Securities lent are reported as assets on the balance sheet. The costs of securities lending transactions are reported as expenditures or expenses in the operating statement. These costs are reported at gross.

### **Restricted Assets**

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

### **Inventories and Prepaid Items**

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

### **Capital Assets**

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

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

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

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

## LIABILITIES

### **Accounts Payable**

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

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

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

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

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

### **Capital Lease Obligations**

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

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

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

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

### **Bonds Payable-Revenue Bonds**

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

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

### **FUND BALANCE/NET POSITION**

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

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

## Fund Balance Components

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

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

### Net Investment in Capital Assets

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

### Restricted Net Position

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

### Unrestricted Net Position

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

## INTERFUND ACTIVITIES AND TRANSACTIONS

Lamar University has the following types of transactions between funds:

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

## NOTE 2: Capital Assets

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

A summary of changes in Capital Assets for the year ended August 31, 2016 is presented below:

	PRIMARY GOVERNMENT						Balance 08/31/16
	Balance 09/01/15	Adjustments	Completed CIP	Transfers Inc/(Decrease)	Additions	Deletions	
<b>BUSINESS-TYPE ACTIVITIES</b>							
<b>Non-Depreciable Assets</b>							
Land and Land Improvements	11,449,404.73	-	-	-	133,714.76	-	11,583,119.49
Library books/Leaseholds	-	-	-	-	-	-	-
Construction in Progress	13,831,900.41	-	(603,513.14)	-	15,454,025.02	-	28,682,412.29
Other Assets	2,150,565.50	-	-	-	154,007.49	-	2,304,572.99
<b>Total Non-Depreciable Assets</b>	<b>27,431,870.64</b>	<b>-</b>	<b>(603,513.14)</b>	<b>-</b>	<b>15,741,747.27</b>	<b>-</b>	<b>42,570,104.77</b>
<b>Depreciable Assets</b>							
Buildings and Building Improvements	254,831,159.03	-	174,647.43	-	-	(3,325,104.94)	251,680,701.52
Infrastructure	17,106,486.90	-	-	-	-	-	17,106,486.90
Facilities & Other Improvements	22,923,613.22	-	428,865.71	-	-	-	23,352,478.93
Furniture and Equipment	23,434,430.30	5,914.80	-	-	2,061,176.55	(803,515.08)	24,698,006.57
Vehicle, Boats & Aircraft	1,331,932.50	-	-	38,079.00	309,390.90	(12,995.00)	1,666,407.40
Library books/Leaseholds	22,785,988.04	-	-	-	26,862.30	(3,423.42)	22,809,426.92
<b>Total Depreciable Assets at</b>	<b>342,413,609.99</b>	<b>5,914.80</b>	<b>603,513.14</b>	<b>38,079.00</b>	<b>2,397,429.75</b>	<b>(4,145,038.44)</b>	<b>341,313,508.24</b>
<b>Less Accumulated Depreciation</b>							
Buildings and Improvements	(128,111,869.95)	-	-	-	(5,010,709.67)	2,875,836.38	(130,246,743.24)
Infrastructure	(12,298,599.79)	-	-	-	(404,933.40)	-	(12,703,533.19)
Facilities & Other Improvements	(12,005,617.85)	-	-	-	(597,264.60)	-	(12,602,882.45)
Furniture and Equipment	(17,412,653.22)	(98.58)	-	-	(1,937,461.50)	802,213.47	(18,547,999.83)
Vehicles, Boats & Aircraft	(1,005,181.28)	-	-	(38,079.00)	(144,121.51)	12,995.00	(1,174,386.79)
Library books/Leaseholds	(20,115,126.32)	-	-	-	(446,988.03)	3,423.42	(20,558,690.93)
<b>Total Accumulated Depreciation</b>	<b>(190,949,048.41)</b>	<b>(98.58)</b>	<b>-</b>	<b>(38,079.00)</b>	<b>(8,541,478.71)</b>	<b>3,694,468.27</b>	<b>(195,834,236.43)</b>
<b>Depreciable Assets, Net</b>	<b>151,464,561.58</b>	<b>5,816.22</b>	<b>603,513.14</b>	<b>-</b>	<b>(6,144,048.96)</b>	<b>(450,570.17)</b>	<b>145,479,271.81</b>
<b>Business Type-Activities</b>	<b>178,896,432.22</b>	<b>5,816.22</b>	<b>-</b>	<b>-</b>	<b>9,597,698.31</b>	<b>(450,570.17)</b>	<b>188,049,376.58</b>

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

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

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

**Deposits**

As of 08/31/16, the actual bank balance was \$27,682,480.06. The carrying balance was \$37,363,595.03 as presented below.

<b>Governmental and Business-Type Activities</b>	
CASH IN BANK - CARRYING VALUE	\$37,363,595.03
Less: Certificates of Deposit included in carrying value and reported as Cash Equivalent	
Less: Uninvested Securities Lending Cash Collateral included in carrying value and reported as Securities Lending Collateral	
Less: Securities Lending CD Collateral included in carrying value and reported as Securities Lending Collateral	
Cash in Bank per AFR	\$37,363,595.03
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	\$22,685,098.00
Proprietary Funds Current Assets Restricted Cash in Bank	5,426,787.30
Proprietary Funds Non-Current Restricted Cash in Bank	9,251,709.73
Cash in Bank per AFR	\$37,363,595.03

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



## Investments

As of August 31, 2016, the fair value of investments were:

<b>Governmental and Business-Type Activities</b>	
	<b>Fair Value</b>
US Government	
US Treasury Securities	
US Treasury Strips	
US Treasury TIPs	
US Government Agency Obligations (Ginnie, Fannie)	
US Government Agency Obligations (Texas Trea. Safekeeping)	
Corporate Obligations	
Corporate Asset and Mortgage Backed Sec.	
Domestic Equity	\$ 1,496,810.10
International Obligations (Govt and Corp)	
International Equity	
Repurchase Agreement	
Repurchase Agreement (Texas Trea. Safekeeping)	
Fixed Income Money Market Bond Mutual Fund	\$ 35,020,995.54
Other Commingled Fund	\$ 13,897,282.72
International Other Commingled Fund	
<b>Subtotal Long-Term Investments (Statement of Net Assets)</b>	<b>\$ 50,415,088.36</b>
Other Commingled funds (Texpool and Federated Prime Money Market)	\$ 23,586,804.48
Commercial Paper	
<b>Subtotal Cash Equivalents (Statement of Net Assets)</b>	<b>\$ 23,586,804.48</b>
<b>Total</b>	<b>\$ 74,001,892.84</b>

## Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The university's investment policy requires that investments in debt securities be rated in the top three investment grade ratings (Standard & Poor's AAA to A or comparable ratings with other agencies for operating funds and BBB and above for endowments) at the time of purchase. Two nationally recognized statistical rating organizations must rate the security. Risk is further limited through the Investment Policy by term limitations, and maximum single purchase and maximum aggregate position percentages. As of August 31, 2016, the university's credit quality distribution for securities with credit risk exposure was:

Fund Type	GAAP Fund	Money Market Fund	Fair Market	S&P Rating	
05	9999	Texpool	\$ 23,540,789.88	AAAm	
05	9999	Fed. Income	\$ 46,014.60	AAAm	
			\$ 23,586,804.48		
Fund Type	GAAP Fund	Bond Mutual Fund	Fair Market	S&P Rating	%
05	9999	DFA 1 Year fixed income	\$ 9,428,982.86	AAA	47%
			\$ 2,511,186.25	AA+	13%
			\$ 4,218,070.83	AA	21%
			\$ 3,213,195.18	AA-	16%
			\$ 525,503.83	A+	3%
			\$ 160,459.19	A-1+	1%
05	9999	DFA Short Term Gov.	\$ 1,997,679.17	AAA	100%
05	9999	Vanguard Short Term Federal	\$ 9,400,000.00	AA+	94%
			\$ 600,000.00	NR	6%
05	9999	Vanguard Long Term Treasury	\$ 976,360.49	AA+	97%
			\$ 30,196.72	NR	3%
			\$ 33,061,634.51		

**NOTE 4: Short Term Debt**

Lamar University has no short term debt as of August 31, 2016.

**NOTE 5: Long Term Liabilities**

**Changes in Long-term Liabilities**

During the year ended August 31, 2016, the following changes occurred in long-term liabilities:

Business Type Activities	Balance 09/01/15	Additions	Reductions	Balance 08/31/16	Due Within One Year
Deposit Payable	\$ 232,554.73	\$ 406,558.03	\$ 172,425.00	\$ 466,687.76	\$ 154,800.00
Employees' Compensable Leave	3,490,313.83	2,766,305.90	2,878,401.47	3,378,218.26	\$ 506,732.75
<b>Total Long-Term Liabilities</b>	<b>\$3,722,868.56</b>	<b>\$3,172,863.93</b>	<b>\$3,050,826.47</b>	<b>\$3,844,906.02</b>	<b>\$ 661,532.75</b>

**Employees' Compensable Leave**

See Note 1 for discussion of Employees' Compensable Leave.

**Bonds Payable**

See Note 6 for a discussion of Bonds Payable.

**NOTE 6: Bonded Indebtedness**

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

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

**DEBT SERVICE REQUIREMENTS ATTRIBUTABLE  
TO LAMAR UNIVERSITY**

Description	Year	Principal	Interest	Total
All Series	2017	\$7,037,095.62	\$4,269,625.12	\$11,306,720.74
	2018	7,222,215.70	3,995,939.20	11,218,154.90
	2019	6,971,599.12	3,700,633.42	10,672,232.54
	2020-2024	36,407,230.49	13,814,405.28	50,221,635.77
	2025-2029	31,900,000.00	5,911,220.58	37,811,220.58
	2030-2034	9,335,000.00	930,931.86	10,265,931.86
	2035-2039	-	-	-
	2040-2044	-	-	-
	2045	-	-	-
Totals		\$98,873,140.93	\$32,622,755.46	\$131,495,896.39

A portion of the debt represents Tuition Revenue Bonds historically funded by the Texas Legislature through General Revenue Appropriations. The institution was appropriated \$2,457,631 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, 2016.

**NOTE 8: Leases**

**Operating Leases**

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

Fund Type	Amount
General Fund	917,137.71

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	
2017	1,122,347.57
2018	1,113,101.55
2019	1,103,387.51
2020	860,148.81
2021	183,441.90
2022	55,600.22
<b>Total Minimum Future Lease Rental Payments</b>	<b>\$4,438,027.56</b>

**Capital Leases**

Lamar University has no capital leases as of August 31, 2016.

**NOTE 9: Pension Plans**

The state established an optional retirement program for institutions of higher education. Participation in ORP is in lieu of participation in the Teacher Retirement System and is available to certain eligible employees. The contributions made by plan members and employers for the fiscal year ended 08/31/16 are:

	Year Ended August 31, 2016
Member Contributions	\$ 2,163,164.00
Employer Contributions	2,381,385.00
Total	\$ 4,544,549.00

**NOTE 10: Deferred Compensation**

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

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

**NOTE 11: Post Employment Health Care and Life Insurance Benefits- Not Applicable**

**NOTE 12: Interfund Activity and Transactions**

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

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

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

Individual balances and activity as of August 31, 2016, follows:

Interfund Receivables and Payables - Current			
Current Portion	Due From	Due To	Purpose
Designated Funds	9,701,640.00		Interfund Loan
Auxiliary Funds		5,800,000.00	Interfund Loan
Loan Funds		3,500,000.00	Interfund Loan
Unexpended Plant Fund		400,000.00	Interfund Loan
Endowment Funds		1,640.00	Interfund Loan
<b>Total Due From/To Other Funds</b>	<b>9,701,640.00</b>	<b>9,701,640.00</b>	

	Due From Other Agencies	Due To Other Agencies	Source
Agency 789, D23, Fund 7999	7,333.43		Local Funds
Agency 608, D23, Fund 0802	604.95		General Revenue
Agency 305, D23, Fund 7999	826,830.05		Local Funds
Agency 530, D23, Fund 7999	40,089.53		Local Funds
Agency 730, D23, Fund 7999	7,957.88		Local Funds
Agency 789, D23, Fund 7999	1,056,521.10		Local Funds
Agency 556, D23, Fund 7999		7,971.13	Local Funds
Agency 712, D23, Fund 7999		32,870.58	General Revenue
Agency 721, D23, Fund 7999		63,039.50	General Revenue
Agency 758, D23, Fund 7999		170,967.30	Loan Funds
Agency 758, D23, Fund 7999		7,235,466.49	Endowment Funds
Agency 788, D23, Fund 7999		1,000.00	Endowment Funds
<b>Total Due From/To Other Agencies (Exh A)</b>	<b>1,939,336.94</b>	<b>7,511,315.00</b>	

	Legislative TRANSFERS IN	Legislative TRANSFERS OUT	Source
Agency 758, D23, Fund 0001		2,457,631.00	General Revenue, TRB
Agency 403, D23, Fund 0001	256,660.00		GR-Hazlewood
<b>Total Legislative Transfers</b>	<b>256,660.00</b>	<b>2,457,631.00</b>	

	TRANSFERS IN	TRANSFERS OUT	SOURCE
Agency 902 , D23, Fund 0210	194,927.00		General Revenue
Agency 347 , D23, Fund 0001		917,137.71	General Revenue
Agency 758 , D23, Fund 7999		1,472,333.00	Designated Funds
Agency 758 , D23, Fund 7999		198,500.00	Designated Funds
Agency 758, D23, Fund 7999		8,675,239.12	Auxiliary Funds
<b>Total Transfers</b>	<b>194,927.00</b>	<b>11,263,209.83</b>	

**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 \$5,816.22 due to adjustments in capital assets.

**NOTE 15: Contingent Liabilities**

As of August 31, 2016, 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, 2016, there were two (2) lawsuits and claims involving Lamar University. At August 31, 2016, two (2) lawsuits and claims involving Lamar University were pending.

**NOTE 16: Subsequent Events**

Subsequent to August 31, 2016, one of the two lawsuits involving Lamar University was settled and dismissed.

**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, 2016 and no claims were pending at that date.

The University is required by certain bond covenants and FEMA to carry Fire and Extended Coverage and Boiler insurance on buildings financed through the issuance of



bonds using pledged Auxiliary Enterprise or other non-Educational and General Funds. The insurance protects the bond holders from a disruption to the revenue stream that is being utilized to make the bond interest and principal payments and the federal government for storm damage.

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

**NOTE 18: Management Discussion and Analysis**

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

**NOTE 19: The Financial Reporting Entity**

The Lamar University Foundation is a nonprofit organization with the sole purpose of supporting educational activities of Lamar University. The Foundation solicits donations and acts as a coordinator of gifts made by other parties. The Foundation remitted restricted gifts of \$2,924,587.95 to the University during the year ended August 31, 2016. 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, \$238,244.08. Accounts receivables of \$701,174.71 are due from the Foundation at August 31, 2016.

**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 presented below is available for authorization and expenditure by 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 Position</u>
True Endowments	\$ 18,697,051.80	Restricted for Nonexpendable
Term Endowments	0.00	Restricted for Nonexpendable
True Endowments	3,130,935.15	Restricted for Expendable
Total Restricted Endowments	<u>\$21,827,986.95</u>	

The University endowment investment income spending policy is a percent return on fair market value at August 31<sup>st</sup> of each year for the next year. The authorization for the fiscal year ended August 31, 2016 was 4%.

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, 2016, 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 \$5,646,078.78.

**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, 2016 are comprised of the following:

**Federal Receivables**

Instruction	\$ 132,196.58
Research	42,208.23
Public Service	46,992.61
Academic Support	12,124.12
Scholarship	288,055.65
Loans	615,694.00

Institutional Support	0.00
Construction	1,036,740.28
<b>TOTAL FEDERAL RECEIVABLES</b>	<b>\$ 2,174,011.47</b>

**Other Receivables**

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

**Other Payable**

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

Lamar University has no termination benefits to report as of August 31, 2016.

**NOTE 26: Segment Information**

Lamar University has no segments to report as of August 31, 2016.

**NOTE 27: Service Concession Arrangements**

Lamar University has no service concession arrangements to report as of August 31, 2016.

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

Lamar University has no deferred outflows or inflows of resources to report as of August 31, 2016.

**NOTE 29: Trouble Debt Restructuring**

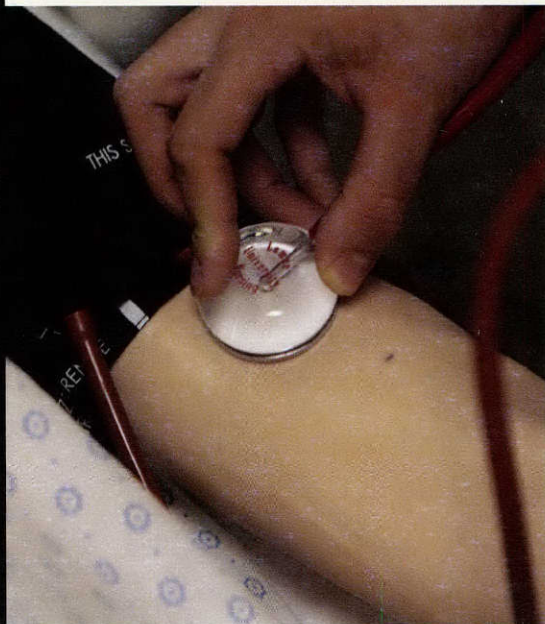
Lamar University has no trouble debt restructuring to report as of August 31, 2016.

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

Lamar University has no non-exchange financial guarantees to report as of August 31, 2016.

## Supplemental Support Information

Supplemental Support Information



### The Center for Applications of Digital Technologies in Health and Disability

CADT will develop digital products and applications for healthcare providers and caregivers as well as the patient and their families. The center is designed to be self-sustaining within 4 years, helping to bridge gaps in current healthcare service. The establishment of CADT will create a focused niche for research (developing new evidence-based procedures), teaching (through student involvement in research) and service (product development that brings measurable positive health outcomes).



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

## Supplemental Support Information



### The Flare and Abnormal Situation Management Research for Petroleum and Chemical Process Industries

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The objective of this visionary initiative is to develop novel, cost-effective flaring-minimization and emission-reduction technologies and software with commercial applications. It will assist in addressing energy losses during flaring emissions in abnormal situations that cause economic, material and environmental harm.

The project will

- focus on the development of new strategies and technologies
- explore cost-effective solutions for petroleum and chemical process industries
- explore flare operation modeling and optimization
- study abnormal situation management
- commercialize the technological achievements

Relatedly, researchers also will examine the integrity and security of regional infrastructure that can be compromised due to cybersecurity threats and the destructive effects of extreme environmental changes, such as tropical storms and weather hazards. This project will enhance graduate and undergrad research and education within engineering, computer science and chemistry. A second emphasis of this initiative is the Southeast Texas Center for Cyber-Physical Security and Resilient Infrastructure Research. The center will concentrate on three primary areas of study: cyber-physical and cybersecurity research, materials reliability research and coordination of response in time of catastrophic failure.

Supplemental Support Information



UNAUDITED  
Lamar University (734)

Agency 734 - Lamar University  
Schedule 1A  
For the Fiscal Year Ended August 31, 2016

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Pass-through From			Pass-through To						
			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 Agencies or Universities Amount	Pass-Through To Non-State Entities Amount	Expenditures Amount	Total PT To and Expenditures Amount
<b>Institute of Museum and Library Services</b>												
<u>Pass-Through From:</u>												
Grants to States	45.310						4,535.87				4,535.87	4,535.87
<u>Pass-Through From:</u>												
Texas State Library and Archives Commission			306	4,535.87								
Totals - Institute of Museum and Library Services				4,535.87	-	-	4,535.87		-	-	4,535.87	4,535.87
<b>U.S. Department of Commerce</b>												
<u>Direct Programs:</u>												
Economic Development--Technical Assistance	11.303						92,819.99	92,819.99			92,819.99	92,819.99
Science, Technology, Business and/or Education Outreach	11.620						8,182.00	8,182.00			8,182.00	8,182.00
Totals - U.S. Department of Commerce				-	-	101,001.99	101,001.99		-	-	101,001.99	101,001.99
<b>U.S. Department of Energy</b>												
U.S. Department of Energy	81.000	Oak Ridge National Laboratory/DC-AC052-000R22725					2,909.18	2,909.18			2,909.18	2,909.18
Totals - U.S. Department of Defense				-	2,909.18	-	2,909.18		-	-	2,909.18	2,909.18
<b>National Science Foundation</b>												
<u>Direct Programs:</u>												
Engineering Grants	47.041						55,361.91	55,361.91			55,361.91	55,361.91
Education and Human Resources	47.076						139,315.68	139,315.68			139,315.68	139,315.68
Totals - National Science Foundation				-	-	194,677.59	194,677.59		-	-	194,677.59	194,677.59
<b>Small Business Administration</b>												
<u>Pass-Through From:</u>												
Small Business Development	59.037							133,272.13			133,272.13	133,272.13
<u>Pass-Through From:</u>												
University of Houston			730	133,272.13								
Totals - Small Business Administration				133,272.13	-	-	133,272.13		-	-	133,272.13	133,272.13

UNAUDITED  
Lamar University (734)

Agency 734 - Lamar University  
Schedule 1A  
For the Fiscal Year Ended August 31, 2016

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Agy/ Univ No	Pass-through From		Direct Program Amount	Total PT From and Direct Prog. Amount	Agy/ Univ No.	Pass-through To			Total PT To and Expenditures Amount
				Pass-Through From Agencies or Universities Amount	Pass-Through From Non- State Entities Amount				Pass- Through To Agencies or Universities Amount	Pass-Through To Non-State Entities Amount	Expenditures Amount	
<b>Environmental Protection Agency</b>												
<u>Direct Programs:</u>												
P3 Award National Student Design Competition for Sustainability	66.516					7,585.19	7,585.19				7,585.19	7,585.19
<u>Pass-Through From:</u>												
Beach Monitoring and Notification Program Implementation Grants	66.472						23,729.00				23,729.00	23,729.00
<i>Pass-Through From:</i>												
<i>General Land Office</i>			305	23,729.00								
Totals - Environmental Protection Agency				23,729.00	-	7,585.19	31,314.19	-	-	31,314.19	31,314.19	
<b>U.S. Department of the Interior</b>												
<u>Direct Programs:</u>												
Cooperative Research and Training Programs - Resources of the National Park System	15.945					4,663.18	4,663.18			4,663.18	4,663.18	
Totals - U.S. Department of the Interior				-	-	4,663.18	4,663.18	-	-	4,663.18	4,663.18	
<b>U.S. Department of Health and Human Services</b>												
<u>Direct Programs:</u>												
Biomedical Research and Research Training	93.859					92,386.78	92,386.78			92,386.78	92,386.78	
Totals - U.S. Department of Health and Human Services				-	-	92,386.78	92,386.78	-	-	92,386.78	92,386.78	
<b>General Services Administration</b>												
<u>Direct Programs:</u>												
Donation of Federal Surplus Personal Property (Non-monetary)	39.003					60,512.83	60,512.83			60,512.83	60,512.83	
Totals - General Services Administration				-	-	60,512.83	60,512.83	-	-	60,512.83	60,512.83	
<b>U.S. Department of Health and Human Services</b>												
<u>Direct Programs:</u>												
Substance Abuse and Mental Health Services, Projects of Regional and National Significance	93.243					308,563.71	308,563.71			308,563.71	308,563.71	
<u>Pass-Through From:</u>												
Foster Care, Title IV-E	93.658						63,344.28			63,344.28	63,344.28	
<i>Pass-Through From:</i>												
<i>Department of Family and Protective Services</i>			530	63,344.28								
Totals - U.S. Department of Health and Human Services				63,344.28	-	308,563.71	371,907.99	-	-	371,907.99	371,907.99	

Annual Report—fiscal year ended August 31, 2016

UNAUDITED  
Lamar University (734)

Agency 734 - Lamar University  
Schedule 1A  
For the Fiscal Year Ended August 31, 2016

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Pass-through From			Total PT From and Direct Prog. Amount	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		Agy/ Univ No	Pass- Through To Agencies or Universities Amount	Pass-Through To Non-State Entities Amount	
<b>U.S. Department of Housing and Urban Development</b>										
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228					2,426,037.94				2,426,037.94
<i>Pass-Through From:</i>										
<i>General Land Office</i>			305	2,426,037.94						
<b>Totals - U.S. Department of Housing and Urban Development</b>				2,426,037.94	-	-	2,426,037.94	-	-	2,426,037.94
<b>Research &amp; Development Cluster</b>										
<b>National Science Foundation</b>										
<i>Direct Programs:</i>										
Mathematical and Physical Sciences	47.049					57,773.56				57,773.56
Computer and Information Science and Engineering	47.070					380,708.67				380,708.67
<b>Totals - National Science Foundation</b>				-	-	438,482.23		-	-	438,482.23
<b>Student Financial Assistance Cluster</b>										
<b>U.S. Department of Education</b>										
<i>Direct Programs:</i>										
Federal Supplemental Educational Opportunity Grants	84.007					335,685.00				335,685.00
Federal Work-Study Program	84.033					425,000.00				425,000.00
Federal Perkins Loan Program_Federal Capital Contributions	84.038					143,066.00				143,066.00
Federal Pell Grant Program	84.063					16,526,314.00				16,526,314.00
Federal Direct Student Loans	84.268					74,819,583.00				74,819,583.00
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379					238,738.99				238,738.99
<b>Totals - U.S. Department of Education</b>				-	-	92,488,386.99		-	-	92,488,386.99
<b>TANF Cluster</b>										
<b>U.S. Department of Health and Human Services</b>										
<i>Pass-Through From:</i>										
Foster Care Title IV-E	93.558									43,825.42
<i>Pass-Through From:</i>										
<i>Department of Family and Protective Services</i>			530	43,825.42						
<b>Totals - U.S. Department of Health and Human Services</b>				43,825.42	-	-	43,825.42	-	-	43,825.42



UNAUDITED  
Lamar University (734)

Agency 734 - Lamar University  
Schedule 1A  
For the Fiscal Year Ended August 31, 2016

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Pass-through From		Direct Program Amount	Total PT From and Direct Prog. Amount	Pass-through To		Expenditures Amount	Total PT To and Expenditures Amount		
			Agy/ Univ No	Pass-Through From Agencies or Universities Amount			Pass-Through From Non- State Entities Amount	Agy/ Univ No.			Pass- Through To Agencies or Universities Amount	Pass-Through To Non-State Entities Amount
<b>TRIO Cluster</b>												
<b>U.S. Department of Education</b>												
<i>Direct Programs:</i>												
TRIO_Student Support Services	84.042				2,404.69	2,404.69			2,404.69	2,404.69		
TRIO_McNair Post-Baccalaureate Achievement	84.217				210,556.83	210,556.83			210,556.83	210,556.83		
Totals - U.S. Department of Education			-	-	212,961.52	212,961.52	-	-	212,961.52	212,961.52		
<b>Total Expenditures of Federal Awards</b>					2,694,744.64	2,909.18	93,909,222.01	96,606,875.83	-	-	96,606,875.83	96,606,875.83

Agency 734 - Lamar University  
Schedule 1A  
For the Fiscal Year Ended August 31, 2016

**Note 1: Non-Monetary Assistance**

The "Donation of Federal Surplus Personal Property" is presented at 22.47% of the original federal acquisition cost of \$269,304.98. The surplus property is passed through from General Services Commission (Agency 303). The federal grantor is the General Services Administration (GSA) and the federal CFDA number is 39.003. The estimated fair value at date of receipt was \$60,512.83.

**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)	\$	21,583,714.00
Reconciling Items:		
Non-Monetary Programs		
Federal Commodities		-
Federal Surplus Property		60,512.83
New Loans Processed:		
Federal Family Education Loans		-
Federal Perkins Loan Program		143,066.00
Federal Direct Student Loans		74,819,583.00
Other Reconciling Items:		
CFDA 97.036 Reimbursement for Presidentially Declared Disasters		-
Total Pass-Through & Expenditures Per Federal Schedule	\$	<u>96,606,875.83</u>

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

Federal Grantor/ CFDA Number /Program Name	New Loans Processed	Admin. Costs Recovered	Total Loans Processed & Admin. Costs. Costs Recovered	Ending Balances of Previous Years' Loans
U.S. Department of Education				
84.038 Federal Perkins Loan Program	143,066.00		143,066.00	
84.268 Federal Direct Student Loans	74,819,583.00			
Total Department of Education	\$ <u>74,962,649.00</u>	\$ <u>                    </u>	\$ <u>                    </u>	\$ <u>0.00</u>

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

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

Lamar University (734)  
Schedule 1B  
Schedule of State Grant Pass-Throughs From/To State Agencies  
For the Year Ended August 31, 2016

**Pass Through From:**

Fifth Year Accounting Student Scholarship Program (Agy. #457)	
Texas State Board of Public Accountancy	2,500.00
Texas Education Agency ( Agy. #701)	
TALH Per Capita	10,266.00
TALH Formula	422,689.00
University of Texas System (Agy. #720)	
Joint Admission Medical Program (JAMP)	9,799.05
Texas Higher Education Coordinating Board ( Agy. # 781)	
Minority Health Research and Education	19,672.56
Nursing and Allied Health	28,100.35
TEXAS Grant Program	5,081,519.00
Professional Nursing Shortage Reduction Program	-73,918.00
Engineering Recruitment Program	12,900.00
College Work Study Program	84,955.00
Top 10% Scholarships	36,800.00
Total Pass Through From Other Agencies ( Exh II)	<u>5,635,282.96</u>

**Pass Thru To:**

Texas A&M University Ag. Research (Agy. #556)	
Estimation of Fugitive Dust Emissions from Cattle Feed Yards Using the Integrated Horizontal Flux Method	17,731.05
Texas Engineering Experiment Station ( Agy. #712)	
Elucidating the Impact of Engineered Nanoparticles on the Physiological and Biochemical Process Associated With Plant Water Intake and Water Use Efficiency	7,034.00
Boron Removal from Hydraulic Fracturing Wastewater by Aluminum Electrocoagulation: Mechanisms and Process	7,870.61
Modeling Regional Secondary Organic	26,950.74

University of Texas (Agy. # 721)	
Tailoring the Structure of Hydrogenation Catalysts to Transform the Economic and Environmental Sustainability of Nitrate Removal from Drinking Water	23,773.61
Environmental Chamber Experiments of Quantify the Gas-Particle Partitioning and Particle Phase Hydrolysis	102,961.76
Impact of Coagulation on Bio-Filtration: Simultaneous of Multiple Chemical Contaminants	14,215.64
University of Houston (Agy. # 730)	
Detailed Elemental Characterization of Saharan Dust To Quantify its Contributions to PM2.5 and PM10 During Episodic Intrusions in Houston	18,177.56
Impact of Uncertainties on NO2 and HONO Emissions And Chemistry on Radicals and Ozone in Southeast Texas	1,103.23
Long-Term Groundwater Impacts of Unsaturated Zone Releases of Fuels Containing Alcohols	6,956.26
Biodiesel Fuels and Groundwater Quality	3,528.21
Accelerated Treatment and Recycling of Hydraulic Fracturing Wastewater Using the Microbial Fuel Cell (MFC)	12,681.69
CMAQ High Night-Time Ozone Bias at Southeast Texas Is Stronger Night-Time Wind the Culprit	26,880.54
Understanding and Controlling Radioactive (Ba, Ra) SO4 Precipitation on Oil-Field Equipment	2,911.67
Effects of Temperature on Gasoline Exhaust VOC Speciation with Implications to Air Quality Modeling	29,642.29
Total Pass Through To Other Agencies ( Exh II)	<u><u>302,418.86</u></u>

Lamar University  
Schedule 2E  
Schedule of Defeased Bonds Outstanding  
For the Year Ended August 31, 2016

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

Texas State University System  
Lamar University  
Schedule 3 - Reconciliation of Cash in State Treasury  
August 31, 2016

<u>Cash in State Treasury</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Current Year Total</u>
Local Revenue Fund 02XX (Enter the fund number)	6,204,795.28		6,204,795.28
Departmental Suspense Fund 0900			0.00
Correction Account for Direct Deposit Fund 0980			0.00
Direct Deposit Hold - Transmit Account Fund 0979			0.00
Bill Blackwood Law Enforcement Management Institute Fund 0581			0.00
Correctional Management Institute and Criminal Justice Center Fund 5083			0.00
<add other funds here>			0.00
<b>Total Cash in State Treasury (Stmt of Net Assets)</b>	<u>6,204,795.28</u>	<u>0.00</u>	<u>6,204,795.28</u>
<i>Test to Statement of Net Assets for this template</i>	TRUE	TRUE	

LAMAR UNIVERSITY  
SCHEDULE 4  
SCHEDULE OF HIGHER EDUCATION ASSISTANCE FUND  
For the Year Ended August 31, 2016

	CURRENT FUNDS		PLANT FUNDS		
	Educational and General	Designated	Unexpended	Retirement of Indebtedness	Total
Balances - September 1, 2015	\$ 1,277,134.26	\$ -	\$ 6,430,604.94	\$ -	\$ 7,707,739.20
Revenues					
Appropriations	\$ 9,401,255.00				\$ 9,401,255.00
Adjustment to Prior Years Appropriation					
Total Revenues	\$ 9,401,255.00	\$ -	\$ -	\$ -	\$ 9,401,255.00
Expenditures					
Salaries and Wages	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenses	3,059,091.24		211,143.68		3,270,234.92
Capital Outlay	450,961.35				450,961.35
Construction in Progress			12,188,518.34		12,188,518.34
Bonds Retired					
Interest Expense					
Other Equipment					
Total Expenditures	\$ 3,510,052.59	\$ -	\$ 12,399,662.02	\$ -	\$ 15,909,714.61
Transfers:					
Mandatory:					
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -
Other					-
Non-mandatory Transfers	(5,969,057.08)	-	5,969,057.08		-
Transfers From/(To) Other Agencies					-
Total Transfers	\$ (5,969,057.08)	\$ -	\$ 5,969,057.08	\$ -	\$ -
Balances - August 31, 2016	\$ 1,199,279.59	\$ -	\$ -	\$ -	\$ 1,199,279.59
Balances - August 31, 2016					
Consists of:					
Encumbrances	\$ 338,187.71		\$ -		338,187.71
Reserved for HEAF Projects	861,091.88				861,091.88
Total Balances - August 31, 2016	\$ 1,199,279.59	\$ -	\$ -	\$ -	\$ 1,199,279.59

UNAUDITED  
Lamar University (734)

GR Reconciliation

GR Internet Project - FY 2016

Agency 734 - Lamar University

Fund Type 05

Line Number	Direct Strategy	OASI Appn 81142	ERS/TRS Retirement Appn 90327, 91327, 94327		ORP (Article III Only) Appn 87646	Insurance (HE non self-insured only) Appn 98327	GIP (Self-insured HE only) Appn 95002	BRP (Agency only) Appn 23102	Salary/Longevity Increase	Other	Calc Per Source	Adjustments	Amount as Adjusted
			D	E									
Calculation I													
Legislative Appropriations (PY Ending Asset Balance)	100100	8,043,756.69									8,043,756.69		8,043,756.69
Committed Legislative Appropriation Revenue	100300	48,617,011.00									48,617,011.00		48,617,011.00
Riders Increasing Budget	100400										0.00		0.00
Riders Decreasing Budget	100500										0.00		0.00
<b>Total Original Appropriation Revenue</b>		<b>48,617,011.00</b>								0.00	<b>48,617,011.00</b>		<b>48,617,011.00</b>
<b>Additional Legislative Appn Revenue:</b>													
<b>Payroll Related Revenue:</b>													
OASI Appropriation	200100		3,429,116.54								3,429,116.54		3,429,116.54
Retirement Appropriation	200200										0.00		0.00
ORP Appropriation	200300				1,227,748.99						1,227,748.99		1,227,748.99
Insurance Appropriation	200400										0.00		0.00
Group Insurance Program (GIP)	200500										0.00		0.00
BRP Appropriation	200600										0.00		0.00
Salary/Longevity Increase	200700										0.00		0.00
APS 001 - (Other MOF - Fed Funds Etc)	200800										0.00		0.00
<b>Other Revenue Adjustments :</b>													
Budget Revisions	300100		(0.27)								(0.27)		(0.27)
Unexpended Balance Forward	300200										0.00		0.00
<b>Payments on behalf of agency (The agency below will provide this data)</b>													
Retirement Contribution Agy=ERS(327) HE=TRS(323)	400100			1,199,390.89							1,199,390.89		1,199,390.89
Group Insurance Contribution (HIED non self insur-ERS)	400200						8,012,733.70				8,012,733.70		8,012,733.70
Unemployment Contribution (TWC)	400300								56,887.78		56,887.78		56,887.78
<b>Total Additional Legislative Appn Revenue (lines 14 through 31)</b>		<b>(0.27)</b>	<b>3,429,116.54</b>	<b>1,199,390.89</b>	<b>1,227,748.99</b>	<b>0.00</b>	<b>8,012,733.70</b>	<b>0.00</b>	<b>0.00</b>	<b>56,887.78</b>	<b>13,925,877.63</b>	<b>0.00</b>	<b>13,925,877.63</b>
<b>Payroll Related Costs (sum of lines 28 to 31)</b>	400900	0.00	0.00	(1,199,390.89)	0.00	0.00	(8,012,733.70)	0.00	0.00	(56,887.78)	(9,269,012.37)	0.00	(9,269,012.37)
<b>Appropriation Legislative Transfers</b>													
Higher Education Assistance Fund Distribution	500000	9,401,255.00									9,401,255.00		9,401,255.00
BRP transfers within the agency	500100										0.00		0.00
Salary/Longevity Increase transfers within the agency	500200										0.00		0.00
Committed Budget Transfers In	500300	256,660.00									256,660.00		256,660.00
Committed Budget Transfers Out	500400	(2,457,831.00)									(2,457,831.00)		(2,457,831.00)
<b>Other Line Adjustments (FRS entry only)</b>	590000										0.00		0.00
<b>Committed Appropriations Lapsed</b>	600100										0.00		0.00
<b>Net Change in Cash</b>													
Appropriated Net Change in Cash (Column B through I Activity)	600200	(62,576,149.85)	(3,429,116.54)		(1,227,748.99)						(67,233,015.38)		(67,233,015.38)
Unapprop Net Change in Cash (Appn 00000, 99906-8)	600300										0.00		0.00
EFF-Earned Federal Funds (Appn 70000)	600400										0.00		0.00
Other Net Change in Cash (Appn 90822-3, 94992)	600500										0.00		0.00
<b>Total Net Change in Cash</b>	600900	<b>(62,576,149.85)</b>	<b>(3,429,116.54)</b>	<b>0.00</b>	<b>(1,227,748.99)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(67,233,015.38)</b>	<b>0.00</b>	<b>(67,233,015.38)</b>
<b>Computed Leg Appn for Balance Sheet (Asset Bal 8/31)</b>		<b>1,284,901.57</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,284,901.57</b>	<b>0.00</b>	<b>1,284,901.57</b>
<b>Calculation II</b>													
Legislative Appn Balance - at August 31	700100	1,284,901.57									1,284,901.57		1,284,901.57
OASI Payable at 8/31	700200										0.00		0.00
Retirement Payable at 8/31	700300										0.00		0.00
ORP Payable at 8/31	700700										0.00		0.00
Insurance Payable at 8/31	700400										0.00		0.00
Group Insurance Program (GIP) payable at 8/31	700500										0.00		0.00
BRP Appropriation Adjustment	700600										0.00		0.00
Salary/Longevity Increase Adjustment	700800										0.00		0.00
Other-APS 001 Adjustments	700900										0.00		0.00
Unappropriation Net Change in Cash (Appn 00000, 99906-8)	701000										0.00		0.00
Earned Fed Funds Net Change in Cash (Appn 70000)	701100										0.00		0.00
Other Net Changes in Cash (Appn 90822-3, 94992)	701200										0.00		0.00
Other Line Adjustments (FRS only)	900000										0.00		0.00
<b>Computed Leg Appn FYCY (Asset Bal 8/31)</b>		<b>1,284,901.57</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,284,901.57</b>	<b>0.00</b>	<b>1,284,901.57</b>
<b>Difference between Calc I and Calc II</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

Annual Report—fiscal year ended August 31, 2016







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



P.O. Box 10003 • Beaumont, TX 77710