



ANNUAL FINANCIAL **REPORT**

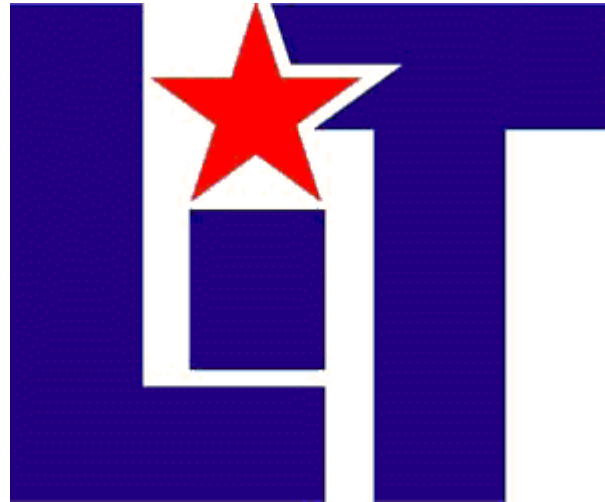


For the Fiscal Year Ended
August 31, 2023

POWER ON.

MEMBER THE TEXAS STATE UNIVERSITY SYSTEM™

Lamar Institute of Technology



Annual Financial Report

For the Fiscal Year Ended
August 31, 2023





November 20, 2023

Honorable Greg Abbott, Governor
Honorable Glenn Hegar, Texas Comptroller
Jerry McGinty, Director, Legislative Budget Board
Lisa Collier, State Auditor

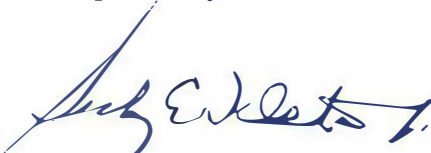
Governor Abbott, Honorable Hegar, Director McGinty, and Auditor Collier:

On behalf of Lamar Institute of Technology (LIT), I am pleased to submit the college's Annual Financial Report for the year ended August 31, 2023. This is 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 Annual *Comprehensive Financial Report* (ACFR); therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

If you have any questions, please contact Mary Wickland, Executive Vice President for Finance and Operations at 409-247-4922.

Respectfully,



Sidney Valentine, Ph.D.

Lamar Institute of Technology

**UNAUDITED
LAMAR INSTITUTE OF TECHNOLOGY (789)**

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**LAMAR INSTITUTE
OF TECHNOLOGY**

November 20, 2023

Dr. Sidney Valentine Ph.D., President
Lamar Institute of Technology
855 E. Lavaca Street
Beaumont, TX 77705

Dear Dr. Valentine:

Submitted herein is the annual financial report of Lamar Institute of Technology for the year ended August 31, 2023, 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 *Annual Comprehensive Financial Report* (ACFR); therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

If you have any questions, please contact me at 409-247-4922.

Respectfully Submitted,

Mary Wickland, Executive Vice President for Finance & Operations

FINANCE AND OPERATIONS

P.O. Box 10043 • Beaumont, Texas • 77710 | FAX (409) 880-2310 • (800) 950-6989

MEMBER THE TEXAS STATE UNIVERSITY SYSTEM™

LIT Petrochemical and Advanced Technology Center



The Texas State University System

ORGANIZATIONAL DATA

BOARD OF REGENTS OFFICERS

Duke Austin
Alan L. Tinsley

Chairman
Vice Chairman

MEMBERS

<u>Name</u>	<u>City</u>	<u>Term Expires</u>
Sheila Faske	Rose City	2027
Stephen Lee	Beaumont	2027
William F. Scott	Nederland	2025
Don Flores	El Paso	2025
Tom Long	Frisco	2029
Charlie Amato	San Antonio	2025
Russell Gordy	Houston	2029
Kelvin Elgar	Student Regent- Beaumont	2024

ADMINISTRATIVE OFFICIALS

SYSTEM OFFICERS

Dr. Brian McCall, Chancellor
Dr. John Hayek, Vice Chancellor for Academic and Health Affairs
Nelly R. Herrera, Vice Chancellor and General Counsel
Daniel Harper, Vice Chancellor and Chief Financial Officer
Sean Cunningham, Vice Chancellor for Governmental Relations
Mike Wintemute, Deputy Vice Chancellor for Marketing and Communications
Carole L. Fox, Chief Audit Executive

LAMAR INSTITUTE OF TECHNOLOGY

Dr. Sidney Valentine Ph.D., President
Dr. Angela Hill, Vice President & Provost
Mary Wickland, Executive Vice President for Finance & Operations

UNAUDITED
Lamar Institute of Technology (789)
Statement of Net Position
For the Year Ended August 31, 2023

	2023		2022
ASSETS			
Current Assets:			
Cash and Cash Equivalents: (Note 3)			
Cash on Hand (Including Petty Cash)	\$ 1,550.00	\$	1,550.00
Cash in Bank	4,095,577.06		3,969,030.62
Cash in State Treasury (Schedule 3)	5,405,480.22		5,347,271.56
Cash Equivalents	4,611,745.32		4,016,298.42
Cash in Bank	788,088.27		1,607,010.04
Cash in State Treasury (Schedule 3)	31,000.00		25,000.00
Legislative Appropriations	19,341,499.08		14,678,209.59
Receivables:			
Federal	1,337,067.22		1,522,522.55
Accounts – Tuition	2,681,185.15		3,099,938.16
Due From Other Agencies (Note 12)	132,208.00		309,988.00
Due From Component Units	-		6,188.33
Total Current Assets	\$ 38,425,400.32	\$	34,583,007.27
Noncurrent Assets			
Restricted:			
Cash and Cash Equivalents: (Note 3)			
Cash in Bank	\$ 976,207.27	\$	1,077,209.63
Receivables	391,871.33		193,200.57
Capital Assets: (Note 2)			
Non-Depreciable or Non-Amortizable			
Land and Land Improvements	2,581,579.96		2,539,377.71
Construction in Progress	5,919,563.17		2,441,803.37
Other Capital Assets	156,000.00		156,000.00
Depreciable or Amortizable			
Building and Building Improvements	41,831,017.72		40,167,215.41
Less Accumulated Depreciation	(19,788,154.61)		(18,414,692.27)
Facilities and Other Improvements	5,715,192.27		5,217,488.27
Less Accumulated Depreciation	(3,163,718.63)		(2,902,856.56)
Furniture and Equipment	12,113,745.49		9,259,956.85
Less Accumulated Depreciation	(7,353,831.35)		(6,731,534.26)
Vehicles, Boats, and Aircraft	961,901.65		677,624.61
Less Accumulated Depreciation	(288,691.35)		(212,489.86)
Computer Software – Intangible	1,456,545.25		1,127,757.25
Less Accumulated Amortization	(718,059.07)		(426,750.19)
Other Capital Assets	11,996.61		11,996.61
Less Accumulated Depreciation	(10,355.32)		(10,264.60)
Right to Use Assets:			
Amortizable:			
Building and Building Improvements	1,889,372.52		1,889,372.52
Less Accumulated Amortization	(661,280.70)		(283,405.86)
Total Noncurrent Assets	\$ 42,020,902.21	\$	35,777,009.20
Total Assets	\$ 80,446,302.53	\$	70,360,016.47

UNAUDITED
Lamar Institute of Technology (789)
Statement of Net Position
For the Year Ended August 31, 2023

	2023	2022
LIABILITIES		
Current Liabilities:		
Payables from:		
Accounts Payable	\$ 3,017,060.84	\$ 3,179,050.22
Payroll Payable	741,769.48	771,869.33
Due to Other Agencies (Note 12)	63,342.60	81,134.13
Unearned Revenues	4,785,652.09	5,460,488.49
Employees' Compensable Leave (Note 5)	88,292.73	73,102.71
Right to Use Lease Obligations	370,224.21	376,910.09
Other Current Liabilities	1,026,332.00	-
Total Current Liabilities	\$ 10,092,673.95	\$ 9,942,554.97
Noncurrent Liabilities		
Right to Use Leases Obligations	\$ 878,455.58	\$ 1,215,701.52
Employees' Compensable Leave (Note 5)	500,325.45	414,248.68
Total Non-Current Liabilities	\$ 1,378,781.03	\$ 1,629,950.20
Total Liabilities	\$ 11,471,454.98	\$ 11,572,505.17
NET POSITION		
Net Investment in Capital Assets	\$ 39,404,143.82	\$ 30,527,245.56
Restricted for:		
Capital Projects	-	3,979,353.44
Unrestricted:		
HEF	14,373,088.07	13,663,836.14
Other	15,197,615.66	10,617,076.16
Total Net Position	\$ 68,974,847.55	\$ 58,787,511.30

UNAUDITED
Lamar Institute of Technology (789)
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2023

	<u>2023</u>	<u>2022</u>
Operating Revenues:		
Tuition and Fees – Pledged	\$ 9,274,268.09	\$ 8,838,715.18
Tuition and Fees – Discounts/Allowances	(4,549,125.14)	(4,056,841.04)
Other Sales of Goods and Svcs – Pledged	-	208,978.33
Federal Revenue	288,702.51	233,229.04
Federal Pass Through Revenue	801,650.02	805,149.41
State Grant Pass Through Revenue	681,012.00	801,451.69
Other Operating Revenues – Pledged	82,229.02	160,263.28
Total Operating Revenues	\$ 6,578,736.50	\$ 6,990,945.89
Operating Expenses:		
Instruction	\$ 14,538,492.71	\$ 14,057,591.06
Public Service	166,396.01	143,983.69
Academic Support	2,099,519.12	2,205,581.57
Student Services	1,599,925.77	1,514,867.75
Institutional Support	4,956,966.33	4,660,502.53
Operation and Maintenance of Plant	2,839,868.31	2,630,043.50
Scholarships and Fellowships	8,711,255.42	8,083,149.20
Auxiliary	466,992.92	460,865.34
Depreciation & Amortization	3,165,400.29	2,626,276.20
Total Operating Expenses	\$ 38,544,816.88	\$ 36,382,860.84
Operating Income (Loss)	\$ (31,966,080.38)	\$ (29,391,914.95)
Nonoperating (Revenues) Expenses:		
Legislative Revenue (GR)	\$ 22,806,738.00	\$ 19,135,768.00
Additional Appropriations (GR)	3,363,777.00	3,205,505.19
Federal Revenue	12,516,378.69	10,869,814.89
Gifts – Non-Pledged	1,397,686.12	1,187,157.25
Investment Income – Pledged	430,852.03	48,224.57
Gain/(Loss) Sale Capital Assets	(4,291.78)	-
Other Nonoperating Expenses	(1,184,128.48)	267,444.97
Total Nonoperating Revenues (Expenses)	\$ 39,327,011.58	\$ 34,713,914.87
Income (Loss) before Capital Contributions, Endowments and Transfers	\$ 7,360,931.20	\$ 5,321,999.92
Capital Contributions, Endowments and Transfers		
Capital Appropriations (HEF)	\$ 2,553,130.00	\$ 2,553,130.00
Transfers-In (Note 12)	2,106,850.00	7,753.03
Transfers-Out (Note 12)	(293,404.00)	(269,537.00)
Legislative Transfer-In (Note 12)	9,865.00	11,906.00
Legislative Transfer-Out (Note 12)	(965,750.00)	(1,294,750.00)
Legislative Appropriations Lapsed	(584,285.95)	(625.00)
Total Capital Contributions, Endowments and Transfers	\$ 2,826,405.05	\$ 1,007,877.03
Change in Net Position	\$ 10,187,336.25	\$ 6,329,876.95
Total Net Position, September 1	58,787,511.30	52,457,635.35
Restatements	-	(1.00)
Total Net Position, September 1, as Restated	<u>\$ 58,787,511.30</u>	<u>\$ 52,457,634.35</u>
Total Net Position, August 31	\$ 68,974,847.55	\$ 58,787,511.30

UNAUDITED
Lamar Institute of Technology
Matrix of Operating Expenses Reported by Function
For the Year Ended August 31, 2023

Operating Expenses	Instruction	Research	Public Service	Academic Support	Student Services	Institutional Support	Operation and Maintenance of Plant	Scholarship and Fellowships	Auxiliary Enterprises	Depreciation and Amortization*	Total Expenses
Salaries and Wages	\$ 8,062,486.77	\$ -	\$ 103,999.40	\$ 1,429,931.42	\$ 919,207.92	\$ 2,781,317.26	\$ 266,500.64	\$ 34,500.64	\$ 15,660.00	\$ -	\$ 13,613,604.05
Payroll Related Costs	2,878,841.04	-	30,953.63	464,793.93	278,621.12	801,715.92	97,619.40	-	1,197.99	-	4,553,743.03
Professional Fees and Services	1,206,529.34	-	-	23,058.24	79,278.54	115,639.45	23,510.00	-	-	-	1,448,015.57
Travel	11,402.09	-	-	79,721.18	12,148.12	59,417.25	-	-	33,652.28	-	196,340.92
Materials and Supplies	383,505.18	-	2,558.08	11,739.06	55,450.46	70,975.92	44,262.62	-	76,313.39	-	644,804.71
Communications and Utilities	265,024.67	-	-	-	-	237,686.39	452,443.34	-	17,034.73	-	972,189.13
Repairs and Maintenance	497,941.49	-	-	-	8,500.00	-	845,676.01	-	698.00	-	1,352,815.50
Rentals and Leases	67,120.80	-	-	-	-	6,241.00	11,968.50	-	3,345.88	-	88,676.18
Printing and Reproduction	27,789.87	-	-	2,512.00	22,670.93	4,998.93	31,157.71	-	14,334.47	-	103,463.91
Depreciation and Amortization*	-	-	-	-	-	-	-	-	-	3,165,400.29	3,165,400.29
Interest	-	-	-	-	-	14,479.76	-	-	-	-	14,479.76
Scholarships	67,590.00	-	-	-	-	-	-	8,640,968.40	3,426.07	-	8,711,984.47
Other Operating Expenses	1,070,261.46	-	28,884.90	87,763.29	224,048.68	864,494.45	1,066,730.09	35,786.38	301,330.11	-	3,679,299.36
Total Operating Expenses	\$ 14,538,492.71	\$ -	\$ 166,396.01	\$ 2,099,519.12	\$ 1,599,925.77	\$ 4,956,966.33	\$ 2,839,868.31	\$ 8,711,255.42	\$ 466,992.92	\$ 3,165,400.29	\$ 38,544,816.88

UNAUDITED
Lamar Institute of Technology
Matrix of Operating Expenses Reported by Function
For the Year Ended August 31, 2022

Operating Expenses	Instruction	Research	Public Service	Academic Support	Student Services	Institutional Support	Operation and Maintenance of Plant	Scholarship and Fellowships	Auxiliary Enterprises	Depreciation and Amortization*	Total Expenses
Salaries and Wages	\$ 7,804,979.40	\$ -	\$ 91,962.31	\$ 1,196,872.16	\$ 872,751.16	\$ 2,562,934.07	\$ 200,137.78	\$ 36,296.72	\$ 15,660.00	\$ -	\$ 12,781,593.60
Payroll Related Costs	2,839,576.05	-	28,218.52	377,315.18	277,529.95	762,368.29	72,779.30	-	1,197.99	-	4,358,985.28
Professional Fees and Services	1,150,946.98	-	-	454,128.31	30,700.65	15,148.50	57,395.00	-	132,078.81	-	1,840,398.25
Travel	-	-	3,035.86	70,707.97	13,500.52	38,091.32	-	-	38,686.72	-	164,022.39
Materials and Supplies	256,668.96	-	-	6,487.57	68,001.99	60,793.46	48,246.35	-	51,379.28	-	491,577.61
Communications and Utilities	283,336.08	-	-	-	7,415.00	358,823.27	489,015.95	-	30,956.73	-	1,169,547.03
Repairs and Maintenance	215,826.82	-	-	-	-	163,540.65	563,046.60	-	-	-	942,414.07
Rentals and Leases	17,313.38	-	-	20,413.38	13,913.37	1,150.00	180,520.60	-	4,815.66	-	238,126.39
Printing and Reproduction	26,629.53	-	-	1,837.50	40,791.29	3,645.85	18,482.71	-	9,756.55	-	101,143.43
Depreciation and Amortization*	-	-	-	-	-	-	-	-	-	2,626,276.20	2,626,276.20
Interest	0.69	-	-	-	-	4,960.84	5.66	-	-	-	4,967.19
Scholarships	56,454.00	-	-	-	-	-	-	7,982,765.23	408.00	-	8,039,627.23
Other Operating Expenses	1,405,859.17	-	20,767.00	77,819.50	190,263.82	689,046.28	1,000,413.55	64,087.25	175,925.60	-	3,624,182.17
Total Operating Expenses	\$ 14,057,591.06	\$ -	\$ 143,983.69	\$ 2,205,581.57	\$ 1,514,867.75	\$ 4,660,502.53	\$ 2,630,043.50	\$ 8,083,149.20	\$ 460,865.34	\$ 2,626,276.20	\$ 36,382,860.84

UNAUDITED
Lamar Institute of Technology
Statement of Cash Flows
For the Year Ended August 31, 2023

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from Tuition and Fees	\$ 4,255,826.12	\$ 4,664,350.57
Proceeds from Research Grants and Contracts	1,924,144.53	1,843,082.15
Payments to Suppliers for Goods and Services	(10,240,513.60)	(5,542,512.30)
Payments to Employees for Salaries	(13,270,878.70)	(14,631,447.56)
Payments for Other Operating Expenses	(8,640,968.40)	(7,982,765.23)
Net Cash Provided by Operating Activities	<u>\$ (25,972,390.05)</u>	<u>\$ (21,649,292.37)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Proceeds from State Appropriations	\$ 21,038,639.74	\$ 20,952,152.88
Proceeds from Gifts	1,397,686.12	1,187,157.25
Proceeds of Transfers from Other State Agencies	106,850.00	7,753.03
Proceeds from Grant Receipts	12,726,834.02	11,085,513.05
Payments for Transfers to Other State Agencies	(994.00)	(1,069.00)
Payments for Other Noncapital Financing Uses	(1,235,601.48)	(1,504,756.24)
Net Cash Provided by Noncapital Financing Activities	<u>\$ 34,033,414.40</u>	<u>\$ 31,726,750.97</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from Debt Issuance	\$ 2,000,000.00	\$ -
Payments for Additions to Capital Assets	(9,315,916.69)	(2,111,958.84)
Payments of Principal on Debt	(595,000.00)	(1,294,750.00)
Payments for Leases	(343,931.82)	(1,889,372.52)
Payments of Interest on Debt Issuance	(370,750.00)	-
Net Cash Provided by Capital and Related Financing Activities	<u>\$ (8,625,598.51)</u>	<u>\$ (5,296,081.36)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Interest Income	\$ 430,852.03	\$ 48,224.57
Net Cash Provided by Investing Activities	<u>\$ 430,852.03</u>	<u>\$ 48,224.57</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (133,722.13)	\$ 4,829,601.81
Cash and Cash Equivalents, September 1	\$ 16,043,370.27	\$ 11,213,768.46
Cash and Cash Equivalents, September 1, - Restated	\$ 16,043,370.27	\$ 11,213,768.46
Cash and Cash Equivalents, August 31	<u>\$ 15,909,648.14</u>	<u>\$ 16,043,370.27</u>

UNAUDITED
Lamar Institute of Technology
Statement of Cash Flows
For the Year Ended August 31, 2023

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

	2023	2022
Operating Income (Loss)	\$ (31,966,080.38)	\$ (29,391,914.95)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Amortization and Depreciation	3,165,400.29	2,626,276.20
On-Behalf Benefit Payments	2,447,294.82	2,357,007.83
Operating Income (Loss) and Cash Flow Categories: Classification Differences		
Changes in Assets and Liabilities:		
(Increase) Decrease in Receivables	577,721.34	(1,287,964.41)
(Increase) Decrease in Loans & Contracts	(198,670.76)	(115,152.69)
Increase (Decrease) in Payables	334,562.46	3,198,294.31
Increase (Decrease) in Deposits	(77,980.03)	(5,681.07)
Increase (Decrease) in Unearned Revenue	(699,836.40)	925,285.00
Increase (Decrease) in Compensated Absence Liability	101,266.79	44,557.41
Increase (Decrease) in Other Liabilities	343,931.82	-
Total Adjustments	\$ 5,993,690.33	\$ 7,742,622.58
Net Cash Provided by Operating Activities	\$ (25,972,390.05)	\$ (21,649,292.37)

NOTE 1: Summary of Significant Accounting Policies

Reporting Entity

Lamar Institute of Technology (LIT) is considered an Institution of Higher Education of the State of Texas (the “State”), 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*.

Lamar Institute of Technology traces its roots back to March 8, 1923, when the South Park School District in Beaumont authorized its superintendent to proceed with plans to open a “junior college of the first class.” On September 17, 1923, South Park Junior College opened with 125 students and a faculty of 14.

Located on the third floor of the South Park High School building, the college shared the library and athletic facilities with the high school. In 1932, separate facilities were provided. The name of the institution changed to Lamar College, honoring Mirabeau B. Lamar, second president of the Republic of Texas and the “Father of Education” in Texas.

As a result of a public campaign, a new campus was purchased and on June 8, 1942, classes met for the first time on the present-day campus in Beaumont. After World War II, the college grew to 1,079 and a bill to make Lamar a state-supported senior college was introduced in the House of Representatives.

The legislature approved the Lamar bill (House Bill 52) on June 4, 1949, creating Lamar State College of Technology effective September 1, 1951. Lamar was the first junior college in Texas to become a four-year, state-supported college. Uniquely, Lamar retained much of its traditional community college mission, particularly in vocational programs. It continued to grow, with strong programs in engineering, sciences, business and education.

In 1962 a graduate school was established, offering master’s degrees in several fields. The Doctorate in Engineering was established in 1971. That same year House Bill 590 became law, changing the institution’s status to university. Lamar State College of Technology, with an enrollment of 10,874, officially became Lamar University on August 23, 1971.

Vocational subjects were among the first courses offered and played an important role in the development of Lamar. A Division of Vocations was established in 1946 and became the Lamar School of Vocations in 1955. In 1970, the name was changed to the School of Technical Arts, and in 1972 it became the College of Technical Arts. During 1971, the college began awarding Associate of Applied Science degrees in some two-year programs.

Agency 789
Lamar Institute of Technology

In 1969 an extension center was opened in Orange, and in 1975 the longtime private, two-year Port Arthur College became Lamar University at Port Arthur. The Lamar University System was established by the 68th Session of the Texas Legislature with the passage of SB 620, which took effect in August 1983. On September 1, 1995 the Lamar University System was abolished, and the components became members of The Texas State University System.

The Texas Higher Education Coordinating Board recommended in 1990 that all two-year programs at Lamar University-Beaumont be combined into Lamar University Institute of Technology. The programs in the former College of Technical Arts, Allied Health, Office Technology and Restaurant/Institutional Food Management were placed in the new institute.

On September 1, 1995, the Institute of Technology became an educational center of Lamar University and a member of The Texas State University System. The Texas Legislature changed the name of the institution to Lamar Institute of Technology in 1999.

LIT is an agency of the State and a component of the Texas State University System (TSUS). TSUS was founded in 1911 and is the first higher education system established in Texas. Beginning as an administrative means to consolidate the support and management of State teacher colleges, TSUS has evolved into a network of higher education institutions stretching from the Texas-Louisiana border to the Big Bend region of west Texas. Today, seven component institutions offer a broad range of academic and career opportunities. Those seven institutions are located throughout the State and include LIT, Sam Houston State University, Lamar University, Sul Ross State University, Texas State University, Lamar State College Port Arthur, and Lamar State College Orange.

TSUS is governed by a nine-member Board of Regents (the “Board”) appointed by the Governor. In addition, a nonvoting student regent is appointed annually to the Board. The Texas State University System Administration (“System Administration”), which is headed by a Board-appointed chancellor, is based in Austin, where it provides support to TSUS components.

TSUS is an agency of the State and is reported as one of six university systems and four independent universities that in total are presented as a major enterprise fund in the State’s Annual Comprehensive Financial Report.

TSUS and LIT have elected to define LIT’s reporting entity to include only activities in LIT’s name. LIT’s proportional share of liabilities in the name of TSUS is reported by TSUS. Transactions associated with bonds, pensions, and other postemployment benefits related to LIT’s activities in the name of TSUS are not reported by LIT. However, LIT has elected to make limited disclosures with respect to these matters in Notes 6, 9, and 11. The

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associated financial activities related to these items and required disclosures are made within TSUS's Annual Financial Report.

No entities have been identified meeting Governmental Accounting Standards Board's (GASB) definition of component units, which are legally separate entities and, accordingly, none are included within the reporting entity. As previously noted, LIT is considered by the State as one of the academic entities that comprises TSUS; however, each entity is considered an agency of the State. LIT is affiliated with one alumni association that has the sole purpose of supporting the educational and other activities of the College.

The Lamar Institute of Technology Foundation (the "Foundation") is a non-profit organization with the sole purpose of supporting educational activities on behalf of LIT. Neither the transactions of the Foundation or its fund balances are reflected in the financial statements during the year ended August 31, 2023 and 2022. The Foundation is separately governed and operates autonomously from LIT, and its related activities are not included in LIT's, TSUS', or the State's financial statements.

The accounting policies followed by LIT in maintaining accounts and in the preparation of the financial statements are in accordance with the Texas Comptroller of Public Accounts' Reporting Requirement for the Fiscal 2023 Annual Financial Reports of State Agencies and Universities (the "Comptroller's AFR Requirements") and with generally accepted accounting principles in the United States of America (GAAP). GASB is responsible for establishing GAAP for state and local governments. The Comptroller's AFR Requirements are designed to assist the Texas Comptroller of Public Accounts in compiling and preparing the State's ACFR and, accordingly, have some untraditional elements, such as the prohibition of rounding, unique ordering and specific numbering of footnotes, and the inclusion of footnote titles when the subject matter does not apply.

Fund Structure

The accompanying financial statements are presented on the basis of funds. A fund is considered a separate accounting entity. LIT is reporting as a special-purpose government engaged only in Business-Type Activities within the Proprietary Fund Type. The accompanying entity-wide financial statements are prepared as such.

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 18.

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 State's budget is prepared biennially and represents appropriations authorized by the Legislature and approved by the Governor (the "General Appropriations Act"). Additionally, TSUS prepares an annual budget, which represents anticipated sources of revenues and authorized uses. This budget is approved by TSUS' Board.

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

Current and Non-Current Assets

Current assets are those that are readily available to meet current operational requirements. Non-current assets are those that are not readily available to meet current operational requirements and, instead, are intended to support long-term institutional needs.

Cash and Cash Equivalents

Cash includes cash on hand, cash in local banks, cash in transit, and cash in the Treasury. Cash equivalents are considered short-term, highly liquid investments with an original maturity of three months or less.

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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 (as applicable).

Investments

Investments are generally stated at fair value, with certain exceptions, in accordance with GASB Statement No. 72, *Fair Value Measurement and Application* (“GASB 72”). Fair value, which is determined based on quoted market prices, is the amount at which an investment could be exchanged in a current transaction between parties other than in a forced or liquidation sale. Changes in unrealized gain (loss) on the carrying value of investments are reported as net increase (decrease) in fair value of investments in the accompanying Statements of Revenues, Expenses, and Changes in Net Position.

Legislative Appropriations

This item represents the balance of general revenue funds at year end as calculated in the Texas Comptroller’s General Revenue Reconciliation.

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. The cost of these items is expensed when the items are used or consumed. Prepaid items reflect payments for costs applicable to future accounting periods.

Capital Assets

Assets such as furniture, equipment, and vehicles with an individual cost of more than \$5,000 and an estimated useful life in excess of one year are capitalized. Capitalization thresholds are also utilized for buildings and building improvements (\$100,000), infrastructure (\$500,000), and facilities and other improvements (\$100,000). Capital assets are recorded at cost or estimated historical cost if actual historical cost is not available. Donated capital assets are reported at acquisition value. For fabricated assets financed by debt, construction period interest is capitalized as part of the capital asset cost. The capitalized interest is combined with the other costs associated with constructing the asset and depreciated over the appropriate useful life beginning when the asset is placed into service.

Capital assets are depreciated over the estimated useful life of the asset using the straight-line method based on allocation methods and estimated lives prescribed by

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the Statewide Property Accounting system. Depreciation is recorded as a periodic expense and accumulated in a contra-asset account as an offset to the asset book values. Depreciation expense is not allocated to functional categories for this Annual Financial Report.

Intangible capital assets are defined as assets that lack physical substance, are non-financial in nature, and have an initial useful life extending beyond a single reporting period. These assets are required to be reported if they are identifiable. Land use rights are capitalized if the cost meets or exceeds \$100,000. Purchased computer software is capitalized if the aggregate cost of the purchase meets or exceeds \$100,000. Internally developed computer software has a capitalization threshold of \$1,000,000, and other intangible capital assets must be capitalized if the cost meets or exceeds \$100,000. Right to use leased assets are also considered intangibles. Intangible assets are amortized based on the estimated useful life of the asset using the straight-line method.

Other Receivables

The disaggregation of other receivables as reported in the financial statements is disclosed in Note 24. 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.

Unearned Revenues

Unearned revenues represent payments received in advance of providing goods or services.

Other Payables – Current and Noncurrent

The disaggregation of other payables as reported in the financial statements is disclosed in Note 24. Other payables include accruals at year end of expenditure transactions not included in any of the other payable descriptions.

Funds Held for Others

Current balances in funds held for others result from LIT acting as an agent or fiduciary for other organizations.

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.

Lease Liabilities

Lease liabilities represent the amount recognized by the lessee on its financial statements regarding its leases. It is initially measured at the present value of the lease payments. Liabilities are reported separately as either current or non-current in the statement of net position.

Bonds Payable-General Obligation Bonds

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

Bonds Payable-Revenue Bonds

Revenue bonds are accounted for in the proprietary funds for business-type activities. These payables are reported as current liabilities (current for amounts due within one year) and long-term liabilities (non-current for amounts due thereafter) in the statement of net position. The bonds are reported at par, net of unamortized premiums, discounts, issuance costs, and gains/(losses) on bond refunding activities. TSUS reports all related balances.

Net Position

The difference between fund assets and liabilities is "Net Position" on proprietary funds statements.

Net Investment in Capital Assets

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

Net Position - Restricted

Restricted net position results when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, and the like or imposed by

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law through constitutional provisions or enabling legislation. When both restricted and unrestricted assets are available for use, restricted resources are used first, then unrestricted resources are used as needed.

Expendable - net position use is subject to externally imposed stipulations that can be fulfilled by actions pursuant to those stipulations, or that expire by the passage of time.

Non-expendable - net position use is subject to externally imposed stipulations that it be maintained permanently. Such assets include the principal of permanent endowment funds (as applicable).

Net Position - Unrestricted

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

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

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.

Operating and Non-Operating Revenues and Expenses

Operating revenues and expenses - may include activities such as student tuition and fees, net sales and services of auxiliary enterprises, exchange basis federal, state, and local grants and contracts, and related expenses including depreciation, scholarships and fellowships, impairment losses, insurance recovery in the year of the loss, and incurred but not reported liabilities.

Non-operating revenues and expenses - may include activities such as gifts and contributions, insurance recoveries received in years subsequent to the loss, State appropriations, investment income, net change in fair value of investments, nonexchange basis of federal and state grants and contracts, and other non-operating items defined by GASB.

Interagency Activity and Transactions

Lamar Institute of Technology has the following types of transactions among related agencies:

- (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

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Institute of Technology's Interfund activities and balances 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, 2023 is presented below:

	Balance 09/01/2022	Adjustments	Completed CIP	Interagency Transfers In	Interagency Transfers Out	Additions	Deletions	Balance 08/31/2023
Non-depreciable/Non-amortizable								
Land and Land Improvements	2,539,377.71	—	—	—	—	42,202.25	—	2,581,579.96
Infrastructure	—	—	—	—	—	—	—	—
Construction in Progress	2,441,803.37	—	—	—	—	3,477,759.80	—	5,919,563.17
Other Tangible Capital Assets	156,000.00	—	—	—	—	—	—	156,000.00
Land use Rights	—	—	—	—	—	—	—	—
Other Intangible Capital Assets	—	—	—	—	—	—	—	—
Total Non-depreciable/Non-amortizable Assets	5,137,181.08	—	—	—	—	3,519,962.05	—	8,657,143.13
Depreciable Assets								
Building and Building Improvements	40,167,215.41	—	—	—	—	1,663,802.31	—	41,831,017.72
Infrastructure	—	—	—	—	—	—	—	—
Facilities and Other Improvements	5,217,488.27	—	—	—	—	497,704.00	—	5,715,192.27
Furniture and Equipment	9,259,956.85	—	—	—	—	3,016,383.28	(162,594.64)	12,113,745.49
Vehicles, Boats, and Aircraft	677,624.61	—	—	—	—	289,277.04	(5,000.00)	961,901.65
Other Capital Assets	11,996.61	—	—	—	—	—	—	11,996.61
Total Depreciable Assets	55,334,281.75	—	—	—	—	5,467,166.63	(167,594.64)	60,633,853.74
Accumulated Depreciation - Depreciable Assets								
Buildings and Improvements	(18,414,692.27)	—	—	—	—	(1,373,462.34)	—	(19,788,154.61)
Infrastructure	—	—	—	—	—	—	—	—
Facilities and Other Improvements	(2,902,856.56)	—	—	—	—	(260,862.07)	—	(3,163,718.63)
Furniture and Equipment	(6,731,534.26)	—	—	—	—	(784,891.73)	162,594.64	(7,353,831.35)
Vehicles, Boats, and Aircraft	(212,489.86)	—	—	—	—	(76,909.71)	708.22	(288,691.35)
Other Capital Assets	(10,264.60)	—	—	—	—	(90.72)	—	(10,355.32)
Total Accumulated Depreciation	(28,271,837.55)	—	—	—	—	(2,496,216.57)	163,302.86	(30,604,751.26)
Amortizable Assets-Intangible								
Land use Rights	—	—	—	—	—	—	—	—
Computer Software	1,127,757.25	—	—	—	—	328,788.00	—	1,456,545.25
Other Intangible Capital Assets	—	—	—	—	—	—	—	—
Total Amortizable Assets-Intangible	1,127,757.25	—	—	—	—	328,788.00	—	1,456,545.25
Accumulated Amortization - Amortizable Assets-Intangible								
Land use Rights	—	—	—	—	—	—	—	—
Computer Software	(426,750.19)	—	—	—	—	(291,308.88)	—	(718,059.07)
Other Intangible Capital Assets	—	—	—	—	—	—	—	—
Total Accumulated Amortization	(426,750.19)	—	—	—	—	(291,308.88)	—	(718,059.07)
Capital Assets, Net	32,900,632.34	—	—	—	—	6,528,391.23	(4,291.78)	39,424,731.79
Amortizable Assets - Intangible Right to Use								
Building and Building Improvements	1,889,372.52	—	—	—	—	—	—	1,889,372.52
Facilities and Other Improvements	—	—	—	—	—	—	—	—
Land and Land Improvements	—	—	—	—	—	—	—	—
Infrastructure	—	—	—	—	—	—	—	—
Equipment	—	—	—	—	—	—	—	—
Vehicles	—	—	—	—	—	—	—	—
Subscription Assets	—	—	—	—	—	—	—	—
Total Amortizable Assets - Intangible Right to Use	1,889,372.52	—	—	—	—	—	—	1,889,372.52
Accumulated Amortization - Intangible Right to Use								
Building and Building Improvements	(283,405.86)	—	—	—	—	(377,874.84)	—	(661,280.70)
Facilities and Other Improvements	—	—	—	—	—	—	—	—
Land and Land Improvements	—	—	—	—	—	—	—	—
Infrastructure	—	—	—	—	—	—	—	—
Equipment	—	—	—	—	—	—	—	—
Vehicles	—	—	—	—	—	—	—	—
Subscription Assets	—	—	—	—	—	—	—	—
Total Accumulated Amortization - Intangible Right to Use	(283,405.86)	—	—	—	—	(377,874.84)	—	(661,280.70)
Intangible Right to Use Assets, Net	1,605,966.66	—	—	—	—	(377,874.84)	—	1,228,091.82

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A summary of changes in Capital Assets for the year ended August 31, 2022 is presented below:

	Balance 09/01/21	Adjustments/ Restate	Reclassifications			Additions	Deletions	Balance 08/31/22
			Completed CIP	Interagency Trans In	Interagency Trans Out			
Non-depreciable Non-Amortized Assets								
Land and Land Improvements	2,539,377.71							2,539,377.71
Construction in Progress	215,737.10	0.00	0.00			2,226,066.27		2,441,803.37
Other Capital Assets	156,000.00							156,000.00
Total Non-depreciable Assets	2,911,114.81	0.00	0.00	0.00	0.00	2,226,066.27		5,137,181.08
Depreciable Assets								
Buildings and Building Improvements	40,167,215.41							40,167,215.41
Infrastructure	0.00							0.00
Facilities & Other Improvements	5,217,488.27							5,217,488.27
Furniture and Equipment	8,547,932.93	(1.00)				755,843.35	(43,818.43)	9,259,956.85
Vehicle, Boats & Aircraft	345,352.18					353,760.43	(21,488.00)	677,624.61
Other Capital Assets	11,996.61							11,996.61
Total Depreciable Assets	54,289,985.40	(1.00)	0.00	0.00	0.00	1,109,603.78	(65,306.43)	55,334,281.75
Accumulated Depreciation - Depreciable Assets								
Buildings and Improvements	(17,065,997.44)					(1,348,694.83)		(18,414,692.27)
Infrastructure	0.00							0.00
Facilities & Other Improvements	(2,663,782.00)					(239,074.56)		(2,902,856.56)
Furniture and Equipment	(6,289,779.44)					(485,573.25)	43,818.43	(6,731,534.26)
Vehicle, Boats & Aircraft	(190,092.16)					(43,885.70)	21,488.00	(212,489.86)
Other Capital Assets	(10,173.88)					(90.72)		(10,264.60)
Total accumulated depreciation	(26,219,824.92)	0.00	0.00	0.00	0.00	(2,117,319.06)	65,306.43	(28,271,837.55)
Amortized Assets - Intangible								0.00
Land use Rights	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Computer software	847,734.25	0.00	0.00	0.00	0.00	280,023.00	0.00	1,127,757.25
Total Amortizable Assets - Intangible	847,734.25	0.00	0.00	0.00	0.00	280,023.00	0.00	1,127,757.25
Accumulated Amortization - Amortizable Assets - Intangible								
Computer Software	(201,198.91)	0.00	0.00	0.00	0.00	(225,551.28)	0.00	(426,750.19)
Total Accumulated Amortization	(201,198.91)	0.00	0.00	0.00	0.00	(225,551.28)	0.00	(426,750.19)
Capital assets, net	31,627,810.63	(1.00)	0.00	0.00	0.00	1,272,822.71	0.00	32,900,632.34
Amortized Assets - Intangible								0.00
Land use Rights	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Lease	0.00	0.00	0.00	0.00	0.00	1,889,372.52	0.00	1,889,372.52
Total Amortizable Assets - Intangible	0.00	0.00	0.00	0.00	0.00	1,889,372.52	0.00	1,889,372.52
Accumulated Amortization - Amortizable Assets - Intangible								
Lease	0.00	0.00	0.00	0.00	0.00	(283,405.86)	0.00	(283,405.86)
Total Accumulated Amortization	0.00	0.00	0.00	0.00	0.00	(283,405.86)	0.00	(283,405.86)
Capital assets, net	0.00	0.00	0.00	0.00	0.00	1,605,966.66	0.00	1,605,966.66

Note 3: Deposits, Investments, & Repurchase Agreements

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

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Deposits of Cash in Banks

The bank balance for Lamar Institute of Technology has been classified according to the following risk categories.

- Category 1 - Insured or collateralized with securities held by the governmental entity or by its agent in the name of the governmental Entity.
- Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the governmental entity's name.
- Category 3 - Uncollateralized, includes any deposits collateralized with securities held by the pledging financial institutions, or by its trust department, or agent but not in the governmental entity's name.

Deposits

As of August 31, 2023, the carrying amount of deposits was \$5,859,872.60 as presented below.

Governmental and Business – Type Activities

CASH IN BANK – CARRYING VALUE	\$5,859,872.60
Less: Certificates of Deposits included in carrying value and reported as Cash Equivalent	
Less: Uninvested Securities Lending Cash Collateral included in carrying value and reported as Securities Lending Collateral	
Less: Securities Lending CD Collateral included in carrying value and reported as Securities Lending Collateral	
Cash in Bank per AFR	\$5,859,872.60
Governmental Funds Current Assets Cash in Bank	
Governmental Funds Current Assets Restricted Cash in Bank	
Governmental Funds Non-Current Assets Restricted Cash in Bank	
Proprietary Funds Current Assets Cash in Bank	4,095,577.06
Proprietary Funds Current Assets Restricted Cash in Bank	788,088.27
Proprietary Funds Non-Current Restricted Cash in Bank	976,207.21
Cash in Bank per AFR	\$5,859,872.60

Bank Balance
\$5,987,174.46

Category 1
\$5,987,174.46

Carrying Amount
\$5,859,872.60

Cash and Cash Equivalents consist of:

Bank Deposits \$5,859,872.60

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As of August 31, 2022, the carrying amount of deposits was \$6,653,250.29 as presented below.

Governmental and Business – Type Activities

CASH IN BANK – CARRYING VALUE	\$6,653,250.29
Less: Certificates of Deposits 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	\$6,653,250.29
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	3,969,030.62
Proprietary Funds Current Assets Restricted Cash in Bank	1,607,010.04
Proprietary Funds Non-Current Restricted Cash in Bank	1,077,209.63
Cash in Bank per AFR	\$6,653,250.29

Bank Balance
\$6,835,161.91

Category 1
\$6,835,161.91

Carrying Amount
\$6,653,250.29

Cash and Cash Equivalents consist of:

Bank Deposits \$6,653,250.29

These amounts consist of all cash in local banks. These amounts are included on the combined statement of net assets as part of the “cash and cash equivalents” accounts.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, LIT will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. LIT’s bank accounts are secured by FDIC and pledged collateral. LIT has no deposits that are at risk of recovery due to the failure of a depository financial institution.

Foreign currency risk for deposits is the risk that changes in exchange rates will adversely affect the deposit. LIT held no exposure to foreign currency risk for deposits as of August 31, 2023.

Investments

The fair value of investments as of August 31, 2023 (both short and long term) are shown below. Investments may be either categorized to give an indication of the level risk assumed by Lamar Institute of Technology or considered uncategorized. All Lamar Institute of Technology's investments are uncategorized.

- **Category 1:** Investments that are insured or registered, or for which the securities are held by the agency, or its agent in the agency's name.
- **Category 2:** Uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the agency's name.
- **Category 3:** Uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the agency's name.

As of August 31, 2023, the carrying value and fair value of investments are as presented below:

Categorized Investments:

Governmental and Business-Type Activities	Carrying Value	Fair Value
U.S. Government U.S. Treasury Securities U.S. Treasury Strips U.S. Treasury TIPS	\$	\$
U.S. Government Agency Obligations Federal Home Loan Bank Federal Farm Credit Bank		
Commercial Paper		
Equity		
Fixed Income Money Market and Bond Mutual Fund		
Miscellaneous Investments		
Total		\$

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The general investment policy of the Institute limits investments in debt

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securities that are not in the top three investment grade ratings issued by nationally recognized statistical rating organizations to five percent of total investments. As of August 31, 2023, Lamar Institute of Technology's credit quality distribution for securities with credit risk exposure was as follows:

Standard & Poor's

Fund Type	GAAP Fund	Investment Type	AAA	AA	A	BAA
		U.S. Government Agency Obligations (Texas Treasury Safekeeping Trust Co)				
		Commercial Paper				

Uncategorized Investments:

Investments held by broker dealers under reverse repurchase agreements: U.S. Government Securities	
Investments held by broker dealers under securities lending agreements: U.S. Government Securities	
Securities Lending Collateral Investment Pool	
Texpool	\$4,611,745.32
Other (i.e. mutual funds, mortgages and real estate)	
Total Investments	\$4,611,745.32
Consisting of the following:	
Proprietary Funds Current Cash Equivalent	4,611,745.32
Proprietary Funds Current Restricted Cash Equivalent	
Proprietary Funds Non-Current Restricted Cash Equivalent	
Proprietary Funds Non-Current Restricted Investments	
Total, as above	\$4,611,745.32
Proprietary Funds CDs disclosed as Deposits but reported as Non-Current	0.00
Restricted Investments on Financial Statement	0.00
Governmental Funds Uninvested Case Collateral disclosed as deposits but reported as Securities Lending Collateral on Financial Statement	0.00
Total Investments per Financial Statements	\$4,611,745.32

TexPool Investments at Amortized Cost

TexPool and TexPool Prime are managed conservatively to provide safe, efficient, and liquid investment alternatives to Texas governments. The accounts maintain a \$1.00 value per share price and are reported at amortized cost. TexPool Prime has a very conservative

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investment policy and aligns with Rule 2a-7 money-market practices. TexPool investments consist exclusively of U.S. government securities, repurchase agreements collateralized by U.S. government securities, and AAA-rated no-load money market mutual funds. TexPool Prime invests in the above, plus commercial paper and certificates of deposit. The funds are rated AAAM by Standard and Poor’s based on credit quality, market price exposure, and management. There is no penalty or limit for withdrawal.

NOTE 4: Short Term Debt

Lamar Institute of Technology has no short term debt as of August 31, 2023 and 2022.

NOTE 5: Long Term Liabilities

Changes in Long-term Liabilities

The following changes occurred in liabilities during the fiscal year ended August 31, 2023 and 2022, respectively:

Business Type Activities	Balance 09/01/22	Additions	Reductions	Balance 08/31/23	Due Within One Year
Employees' Compensable Leave	487,351.39	101,266.79		588,618.18	88,292.73
Right to Use Lease Obligations	1,592,611.61		343,931.82	1,248,679.79	370,224.21

Business Type Activities	Balance 09/01/21	Additions	Reductions	Balance 08/31/22	Due Within One Year
Employees' Compensable Leave	442,793.98	44,557.41		487,351.39	73,102.71
Right to Use Lease Obligations		1,889,372.52	296,760.91	1,592,611.61	376,910.09

Bonds Payable

See Note 6 for a discussion of Bonds Payable.

Compensable Leave

Annual Leave

Full-time employees earn eight to twenty-one hours per month vacation leave (annual leave) depending on years of State employment. The State’s policy is that employees may carry accrued vacation leave forward from one fiscal year to the next up to a maximum number of hours allowed based on their years of service. Employees with at least six months of State service who terminate employment are entitled to payment for all accumulated annual leave. LIT accrues the dollar value of annual leave benefits which are payable upon retirement, termination, or death of its employees. The amounts of these

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liabilities are reported in the statement of net position. The estimated liability is based on outstanding balances reported in the leave reporting system multiplied by the employee's respective salary rate.

Sick Leave

Sick leave is earned at the rate of eight hours per month and is paid only when an employee is absent due to illness or to the estate of an employee in the event of his/her death. The maximum sick leave payment to an employee's estate is the lesser of one-half of the employee's accumulated entitlement or 336 hours. Sick leave accumulation from one fiscal year to the next is not limited. LIT recognizes the cost of sick leave when paid. The liability is not shown in the financial statements since historical payouts of sick leave have been minimal.

Overtime and Compensatory Leave for FLSA Non-Exempt and Exempt Employees

Under the federal Fair Labor Standards Act (FLSA) and State laws, overtime can be accumulated in lieu of immediate payment as compensatory leave for non-exempt employees up to a maximum of 240 hours. Unpaid accrued overtime for non-exempt employees is included in the calculation of current and long-term liabilities because these employees are eligible to be paid for these accruals upon death or termination. Overtime is calculated at a rate of 1.5 times an employee's normal rate of pay.

Non-exempt employees may earn compensatory leave when they work additional hours, but the number of hours worked in the work week does not exceed 40 hours. Compensatory time is calculated on an hour-for-hour basis and must be taken within one year from date earned or it lapses. There is no death or termination benefit for this type of compensatory leave, so no liability is reported in the financial statements.

Post Employment Health Care and Life Insurance

In addition to providing pension benefits, the State provides certain health care and life insurance benefits for retired employees in accordance with state statutes. Substantially, all of the employees may become eligible for those benefits if they reach normal retirement age while working for the State. LIT participates in the Employees Retirement System of Texas (ERS) insurance plans. The information regarding the State's contribution, the number of eligible retirees, and the cost of providing those benefits is included in the notes to the annual financial report of the ERS.

Notes and Loans Payable

LIT had no notes and loans payable at August 31, 2023 and 2022.

Claims and Judgements

At August 31, 2023 and 2022, various lawsuits and claims involving LIT were pending. While the ultimate liability with respect to litigation and other claims asserted against LIT or the Board of Regents cannot be reasonably estimated at this time, such liability, to the

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extent not provided for by insurance or otherwise, is not likely to have a material effect on LIT.

Right to Use Lease Obligations

See Note 8 for information about Right to Use Lease Obligations.

NOTE 6: Bonded Indebtedness

All bonded indebtedness for Lamar Institute of Technology 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 LIT at August 31, 2023

**DEBT SERVICE REQUIREMENTS ATTRIBUTABLE
TO LAMAR INSTITUTE OF TECHNOLOGY**

<u>Description</u>	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
All Series	2024	625,000.00	341,000.00	966,000.00
	2025	655,000.00	309,750.00	964,750.00
	2026	690,000.00	277,000.00	967,000.00
	2027	725,000.00	242,500.00	967,500.00
	2028	760,000.00	206,250.00	966,250.00
	2029-2032	3,365,000.00	426,250.00	3,791,250.00
	Totals	<u>6,820,000.00</u>	<u>1,802,750.00</u>	<u>8,622,750.00</u>

A portion of the debt represents Tuition Revenue Bonds historically funded by the Texas Legislature through General Revenue Appropriations. The institution was appropriated \$965,750 and \$1,294,750 during the 2023 and 2022 fiscal years, respectively for Tuition Revenue Bond debt service. The institution expects future Legislative appropriations to meet debt service requirements for Tuition Revenue Bonds.

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NOTE 7: Derivative Instruments

Lamar Institute of Technology has no derivative instruments to report as of August 31, 2023 and 2022.

NOTE 8: Leases and Subscription-Based Technology Arrangements

LIT entered into a lease agreement for the use of building space. Future minimum lease payments under right to use lease obligations as of August 31, 2023 were as follows:

Year		Principal	Interest	Total Future Minimum Lease Payments
2024	\$	370,224.21	\$ 10,825.71	\$ 381,049.92
2025		373,973.51	7,076.37	381,049.88
2026		377,731.25	3,318.67	381,049.92
2027		126,750.82	265.81	127,016.63
Totals	\$	1,248,679.79	\$ 21,486.56	\$ 1,270,166.35

LIT entered into various agreements for subscription-based information technology arrangements (SBITAs). The agreements vary in terms. The expenses associated with SBITAs are expensed when incurred since they do not meet the threshold for subscription capitalization (asset and obligation) as determined by the Comptroller.

NOTE 9: Defined Benefit Pension Plans and Defined Contribution Plan

Defined Benefit Pension Plan - Teacher Retirement System of Texas

LIT participates in a cost-sharing, multi-employer, defined benefit pension plan administered by the Teacher Retirement System of Texas (TRS). TRS provides retirement, disability annuities, and death and survivor benefits. The benefit and contribution provisions of TRS are authorized by state law and may be amended by the Legislature.

In accordance with the Reporting Requirements for Annual Financial Reports of State Agencies and Universities (the Reporting Requirements) promulgated by the Texas Comptroller of Public Accounts, TSUS has implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions, and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date, which includes the net pension expense, net pension liability, and related deferred inflows and outflows.

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Under the Reporting Requirements, employees of LIT are treated as employees of TSUS for GASB 68 reporting; therefore, these financial statements neither record nor disclose the net pension expense, net pension liability, or related deferred inflows and outflows attributable to LIT. Recording and disclosure of this information occurs for TSUS as a whole in the consolidated Annual Financial Report of TSUS. The State and TSUS share responsibility for funding their proportional shares of the obligations of TRS.

All LIT personnel employed in a TRS-eligible position on a one-half time or greater basis that is projected to last for 4½ months or more are eligible for membership in TRS. Students employed in positions that require student status as a condition of employment do not participate.

The pension benefit formulas are based on members' average annual compensation and years of service credit. The standard annuity is 2.3% of the average of the five highest annual salaries multiplied by years of service credit. For grandfathered employees who were hired on or before August 31, 2005 and meet certain criteria, the standard annuity is based on the average of the three highest annual salaries. TRS does not provide automatic post-employment benefit changes, including automatic cost-of-living adjustments (COLA).

Normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule.

TRS is primarily funded through State and employee contributions. TRS contribution rates are established by the State Legislature. Contributions by employees were 8.0% and of gross earnings for both 2023 and 2022, while employer contributions were 8.0% and 7.75% of the participants' gross earnings for 2023 and 2022, respectively. Depending upon the source of funding for a participant's salary, LIT may be required to make contributions in lieu of the State. Contributions to TRS for the year ended August 31, 2023 and 2022, attributable to LIT's portion of the pension obligation were as follows:

	Year ended August 31, 2023	Year ended August 31, 2022
Employee Contributions	\$ 801,889.12	\$ 715,313.26
Employer Contributions	<u>798,301.82</u>	<u>695,428.23</u>
Total	<u>\$1,600,190.94</u>	<u>\$1,410,741.49</u>

TRS currently does not separately account for each of its component government agencies because TRS itself bears sole responsibility for retirement commitments beyond

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contributions fixed by the State Legislature. Further information regarding actuarial assumptions and conclusions, together with audited financial statements, are included in TRS's annual financial report, which may be found on the TRS website at www.trs.state.gov.

Defined Contribution Plan - Optional Retirement Program

The Optional Retirement Program (ORP) is the state defined contribution plan offered to certain eligible employees of universities and colleges in lieu of participation in TRS. Employees eligible for participation in ORP are defined in Texas Administrative Code § 25.4. ORP provides for the purchase of annuity contracts and mutual funds. Participants are vested in the employer contributions after one year and one day of service. Depending upon the source of funding for the employee's compensation, LIT may be required to make the employer contributions in lieu of the State.

The State provides an option for a local supplement (up to 1.9%) on top of the state base rate. Participant contributions were made at a rate of 6.65% of annual compensation during FY 2023 and FY 2022. Employer contributions were made at the base rate of 6.6% unless the employee was grandfathered (i.e. the employee was contributing on August 31, 1995); in the case of grandfathered employees, the rate of the employer contributions was 8.5% of annual compensation.

Contributions made by the participants and LIT for the fiscal year ended August 31, 2023 and 2022 were as follows:

	Year ended August 31, 2023	Year ended August 31, 2022
Member Contributions	\$ 107,101.68	\$ 119,534.60
Employer Contributions	<u>114,969.31</u>	<u>127,030.13</u>
Total	<u>\$ 222,070.99</u>	<u>\$ 246,564.73</u>

Since contributions are invested in individual annuity contracts, neither the State nor LIT have any liability for ORP. Further information in regards to ORP can be obtained from the Texas Higher Education Coordinating Board website at www.highered.texas.gov.

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.

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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 Benefits Other Than Pensions

In addition to providing pension benefits, the State contributes to a plan that provides health care and life insurance benefits for retired employees of LIT, their spouses, and beneficiaries. These other postemployment benefits (OPEB), authorized by statute and contributions, are established by the General Appropriations Act.

ERS administers a program that provides postemployment health care, life, and dental insurance benefits to retirees through the Texas Employees Group Benefits Program as authorized by Texas Insurance Code, Chapter 1551. ERS implemented GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, in fiscal year 2017. Complete disclosure of the State’s OPEB can be found in the State’s Annual Comprehensive Financial Report.

Liabilities associated with OPEB provided by the State for employees providing services for LIT are reported by TSUS. Additionally, full disclosures of OPEB as required by GASB 74 are reported by TSUS.

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 Institute of Technology experience routine transfers with other state agencies, which were consistent with the activities of the fund making the transfer. Repayment of interfund balances will occur within one year from the date of the financial statement.

Individual balances and activity at August 31, 2023 follows:

	Due From	Due To	Source
Agency 781, D23, Fund 7999	132,208.00		Local Funds
Agency 758, D23, Fund 0325		31,000.00	State Funds

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Total Due From/To Other Agencies (Exh A)	132,208.00	31,000.00	
Individual balances and activity at August 31, 2022 follows:			
	Legislative TRANSFERS IN	Legislative TRANSFERS OUT	
General Revenue Hazelwood from Agency 902	9,865.00		
General Revenue (01) TRB to Agency 758		965,750.00	
Total Legislative Transfers	9,865.00	965,750.00	
	TRANSFERS IN	TRANSFERS OUT	PURPOSE
Agency 758, D23, Fund 7999	2,100,000.00	242,410.00	TSUS Support
Agency 781, D23, Fund 0287		994.00	Dental Hygiene Loan Program
Agency 753, D23, Fund 7999		50,000.00	Shared Services Project
Agency 902, D23, Fund 0210	6,850.00		Hazelwood
Total Transfers	2,106,850.00	293,404.00	

Individual balances and activity at August 31, 2022 follows:

Current Portion	Due From	Due To	Purpose
Total Due From/To Other Funds	0.00	.00	
	Due From	Due To	Source
Agency 734, D23, Fund 7999		31,134.13	Local Funds
Agency 781, D23, Fund 7999	309,988.00		Local Funds
Agency 781, D23 Fund 0325		25,000.00	State Funds
Agency 758, D23, Fund 7999	6,188.33	25,000.00	Local Funds
Total Due From/To Other Agencies (Exh A)	316,176.33	81,134.13	
Individual balances and activity at August 31, 2022 follows:			
	Legislative TRANSFERS IN	Legislative TRANSFERS OUT	
General Revenue Hazelwood from Agency 902	11,906.00		
General Revenue (01) TRB to Agency 758		1,294,750.00	
Total Legislative Transfers	11,906.00	1,294,750.00	
	TRANSFERS IN	TRANSFERS OUT	PURPOSE
Agency 758, D23, Fund 7999		218,468.00	TSUS Support
Agency 781, D23, Fund 0287		1,069.00	Dental Hygiene Loan Program
Agency 753, D23, Fund 7999		50,000.00	Shared Services Project
Agency 902, D23, Fund 0210	7,753.03		Hazelwood
Total Transfers	7,753.03	269,537.00	

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NOTE 13: Continuance Subject to Review

Lamar Institute of Technology is not subject to a review of continuance.

NOTE 14: Adjustments to Fund Balances/Net Assets

Lamar Institute of Technology had no adjustments to Fund Balances/Net Assets.

NOTE 15: Contingent Liabilities

Claims and Judgements

At August 31, 2023 and 2022, various lawsuits and claims involving LIT were pending. While the ultimate liability with respect to litigation and other claims asserted against LIT 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 LIT.

Federal Assistance

LIT has received several federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to a request for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based on prior experience, management believes such disallowances, if any, will be immaterial.

Arbitrage

Rebatable arbitrage is defined by Internal Revenue Code, Section 148, as earnings on investments purchased with the gross proceeds of a bond issue in excess of the amount that would have been earned if the investment were invested at a yield equal to the yield on the bond issue. The rebatable arbitrage must be paid to the federal government.

TSUS monitors its investments to restrict earnings to a yield less than the bond issue and, therefore, limit any arbitrage liability. TSUS estimates that rebatable arbitrage liability, if any, will be immaterial to its overall financial condition. Consistent with TSUS' and LIT's reporting of bonds at TSUS' level, any arbitrage liability would be reported by TSUS and not LIT.

Construction Commitments

LIT has outstanding capital commitments for various construction projects at various stages in the amount of \$27,886,077.59 at August 31, 2023.

NOTE 16: Subsequent Events

Lamar Institute of Technology does not have any subsequent events for fiscal year August 31, 2023.

NOTE 17: Risk Management

Liability Recognition and Experience

LIT assumes substantially all risks associated with tort and liability claims due to the performance of its duties. Currently, LIT is not involved in any risk pools with other government entities. LIT's liabilities are reported when it is both probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Liabilities are reevaluated periodically to consider current settlements, frequency of claims, past experience, and economic factors. There were no significant reductions in insurance coverage in the past year and losses did not exceed funding arrangements during the past three years. There were no liabilities to report during the fiscal year ended August 31, 2023 and 2022, respectively.

Civil Claims

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

Unemployment Compensation

The State provides coverage for unemployment benefits for LIT employees from appropriations made to the Texas Workforce Commission. The current General Appropriations Act provides that LIT must reimburse the general revenue fund from LIT appropriations at 50% of the unemployment benefits paid for state funded positions and 100% of the cost for unemployment compensation for any positions paid from funds held in local bank accounts and local funds held in the State Treasury. The Comptroller of Public Accounts determines the proportionate amount to be reimbursed from each appropriated fund type. The unemployment benefit plan is on a pay-as-you go basis, in which no assets are set aside to be accumulated for the payment of claims. No material outstanding claims are pending at August 31, 2023 and 2022.

Workers' Compensation

The administration of the State's employee workers' compensation program is vested with the State Office of Risk Management (SORM). In accordance with H.B. No. 1203, 77th Legislature, SORM developed and imposed a formula-driven charge for workers' compensation costs upon participating agencies. The workers' compensation assessment is prepaid to SORM through an interagency contract for risk management services and workers' compensation coverage for its employees in compliance with Texas Labor Code

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Chapter 412 and Chapter 501. The assessment paid during the fiscal year ended August 31, 2023 and 2022 amounted to \$19,638.38 and \$23,971.59, respectively.

Fire and Extended Coverage

LIT 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, educational and general, and other non-educational 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. LIT filed an insurance claim due to the impact of Winter Storm Uri in February 2021. Emergency repairs to mitigate further damage and then repairs to restore property occurred during FY 2021. The claims process remains on-going with the insurance carrier into FY 2023.

Motor Vehicle

State-owned vehicles of the component institutions of TSUS are exempt from compulsory liability insurance requirements of the State. This exemption appears in the Texas Transportation Code; Subtitle D Motor Vehicle Safety Responsibility; Chapter 601 Motor Vehicle Safety Responsibility Act; Subchapter A General Provisions; Section 007 Applicability of Chapter to Government Vehicle. As such, auto liability coverage is provided under the TSUS Auto Liability Plan with the following limits of \$250,000/\$500,000/\$100,000.

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 Institute of Technology 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

See Reporting Entity as discussed in Note 1.

NOTE 20: Stewardship, Compliance and Accountability

LIT has no material violations of finance-related and contractual provisions. Per state laws, LIT cannot spend amounts in excess of appropriations granted by the Texas Legislature and there are no deficits reported in net position.

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NOTE 21: Undefined by Texas Comptroller

Reserved for future use by Texas Comptroller.

NOTE 22: Donor-Restricted Endowments

Lamar Institute of Technology has no donor restricted endowments as of August 31, 2023 and 2022.

NOTE 23: Special or Extraordinary Items

No items have been identified meeting the criteria of extraordinary or special items as of August 31, 2023 and 2022.

NOTE 24: Disaggregation of Receivable and Payable Balances

Balances of receivables and payables reported on the Statements of Net Position are not obscured by aggregation. There are no significant receivable balances expected to be collected beyond one year of the date of the financial statements. Accounts receivable for tuition are presented net of allowances for doubtful accounts of \$249,744.87 and \$154,463.86 as of August 31, 2023 and 2022, respectively.

NOTE 25: Termination Benefits

Lamar Institute of Technology has no termination benefits to report as of August 31, 2023 and 2022.

NOTE 26: Segment Information

Lamar Institute of Technology has no segments to reports as of August 31, 2023 and 2022.

NOTE 27: Service Concession Arrangements

LIT has no service concession arrangements to report as of August 31, 2023 and 2022.

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

LIT has no deferred outflows of resources and deferred inflows of resources to report as of August 31, 2023 and 2022.

NOTE 29: Trouble Debt Restructuring

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LIT has no troubled debt restructuring to report as of August 31, 2023 and 2022.

NOTE 30: Non Exchange Financial Guarantees

LIT has no non-exchange financial guarantees to report as of August 31, 2023 and 2022.

NOTE 31: Tax Abatements

LIT has no tax abatements to report as of August 31, 2023 and 2022.

NOTE 32: Fund Balances

LIT's financial statements are presented for business-type activities as of August 31, 2023 and 2022.

UNAUDITED
LAMAR INSTITUTE OF TECHNOLOGY (789)
SUPPLEMENTAL SUPPORTING INFORMATION

SCHEDULE 1A - Schedule of Expenditures of Federal Awards
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
For the Year Ended August 31, 2023

Federal Grantor/Pass Through Grantor/ Program Title	CFDA Number	PASS-THROUGH FROM				Direct Program Amount	Total Pass-Through & Direct Program	PASS-THROUGH TO				Expenditures	Pass Thru To & Expenditures
		Agy/ Univ. #	Identifying #	Agency or Univ. Amount	Non-State Entity Amount			Agy/ Univ. #	Identifying #	Agency or Univ. Amount	In-State Agency Amount		
U.S. Department of Education													
Direct Programs:													
COVID -19 Emergency Relief Fund (HEERF) Student	84.425E					2,347,178.64	2,347,178.64					2,347,178.64	\$ 2,347,178.64
COVID -19 - Higher Education Emergency Relief Fund (HEERF) Institutional F	84.425F					2,935,288.23	2,935,288.23					2,935,288.23	\$ 2,935,288.23
Total U.S. Department of Education						\$ 5,282,466.87	\$ 5,282,466.87					\$ 5,282,466.87	\$ 5,282,466.87
U.S. Department of Homeland Security													
Pass Through From:													
Disaster Grants - Public Assistance (Presidential Declared Disasters)	97.036	575		(50,000.00)			(50,000.00)					(50,000.00)	\$ (50,000.00)
Total U.S. Department of Homeland Security				\$ (50,000.00)	\$ -	\$ -	\$ (50,000.00)					\$ (50,000.00)	\$ (50,000.00)
U.S. Department of Education													
Direct Programs:													
Federal Supplemental Education Opportunity Grants	84.007			\$ -		\$ 264,563.00	\$ 264,563.00					\$ 264,563.00	\$ 264,563.00
Federal Work-Study Program	84.033					24,139.51	24,139.51					24,139.51	24,139.51
Federal Direct Student Loans	84.268					5,442,847.00	5,442,847.00					5,442,847.00	5,442,847.00
Federal Pell Grant Program	84.063					7,233,911.82	7,233,911.82					7,233,911.82	7,233,911.82
Pass-Through From:													
Texas Higher Education Coordinating Board							-						-
Vocational Education Basic Grants to States	84.048	781		784,420.00			784,420.00					784,420.00	784,420.00
Governors Emergency Education Relief Fund COVID funds	84.425C	781		\$ 67,230.02			67,230.02					67,230.02	67,230.02
Total U.S. Department of Education				\$ 851,650.02	\$ -	\$ 12,965,461.33	\$ 13,817,111.35					\$ 19,049,578.22	\$ 13,817,111.35
TOTAL FEDERAL FINANCIAL ASSISTANCE				\$ 801,650.02	\$ -	\$ 18,247,928.20	\$ 19,049,578.22					\$ 19,049,578.22	\$ 19,049,578.22

Federal Assistance Schedule - Reconciliation

Note 1: Not Applicable

Note 2: Reconciliation:

Federal Revenue (SRECNA)	\$ 12,805,081.20
Federal Pass Through Revenue (SRECNA)	801,650.02
Total Federal Revenue and Federal Pass-Through Revenue	\$ 13,606,731.22
Reconciliation Items	
Federal Family Education Loan Program (FFELP)	\$ -
Federal Direct Student Loans(Direct Loans)	5,442,847.00
Total Pass-Through & Expenditures Per Federal Schedule	19,049,578.22

LAMAR INSTITUTE OF TECHNOLOGY
 SCHEDULE 1B
 SCHEDULE OF STATE GRANT PASS THROUGH FROM/TO STATE AGENCIES
 For the Year Ended August 31, 2023

Pass Through From:

Texas Higher Education Coordinating Board (Agy. 781)	
College Workstudy Program (781.0023)	\$ 14,304.00
TEOG Public Safety/Tech College (781.0074)	393,921.00
Texas Workforce Commission (Agy. 320)	
Skills Development(320.0003)	272,787.00
	<hr/>
Total Pass Through From Other Agencies	<u><u>\$681,012.00</u></u>

Pass Through To:

	<hr/>
Total Pass Through To Other Agencies	<u><u>\$</u></u>

LAMAR INSTITUTE OF TECHNOLOGY
SCHEDULE 2A
MISCELLANEOUS BOND INFORMATION
For the Year Ended August 31, 2023

SCHEDULE NOT USED

LAMAR INSTITUTE OF TECHNOLOGY
SCHEDULE 2B
CHANGES IN BONDED INDEBTEDNESS
For the Year Ended August 31, 2023

SCHEDULE NOT USED

LAMAR INSTITUTE OF TECHNOLOGY
SCHEDULE 2C
DEBT SERVICE REQUIREMENTS
GENERAL OBLIGATION AND REVENUE BONDS
For the Year Ended August 31, 2023

SCHEDULE NOT USED

LAMAR INSTITUTE OF TECHNOLOGY
SCHEDULE 2D
ANALYSIS OF FUNDS AVAILABLE FOR DEBT SERVICE
For the Year Ended August 31, 2023

SCHEDULE NOT USED

LAMAR INSTITUTE OF TECHNOLOGY
SCHEDULE 2E DEFEASED BONDS OUTSTANDING
For the Year Ended August 31, 2023

SCHEDULE NOT USED

LAMAR INSTITUTE OF TECHNOLOGY
 SCHEDULE 3
 RECONCILIATION OF CASH IN STATE TREASURY
 For the Fiscal Year Ended August 31, 2023

Cash in State Treasury	<u>Unrestricted</u>	<u>Restricted</u>	<u>Current Year Total</u>
Available College Fund 0287	\$5,405,480.22	\$ 0.00	\$5,405,480.22
GEER Fund 0325		31,000.00	31,000.00
Departmental Suspense Fund 09000			
US Savings Bond Account Fund 0901			
Correction Account for Direct Deposit Fund 0980			
Workforce Development Fund 0599			
Direct Deposit Hold - Transmit Account Fund 0979	_____	_____	_____
 Total Cash in State Treasury (Stmnt of Net Assets)	 <u>\$5,405,480.22</u>	 <u>\$31,000.00</u>	 <u>\$5,436,480.22</u>



