



ANNUAL FINANCIAL **REPORT**



For the Fiscal Year Ended
August 31, 2024

POWER ON.

MEMBER THE TEXAS STATE UNIVERSITY SYSTEM™

November 20, 2024

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

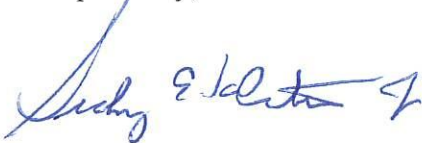
Governor Abbott, Honorable Hegar, Director McGinty, and Auditor Collier:

On behalf of Lamar Institute of Technology (LIT), I am pleased to submit the college's Annual Financial Report for the year ended Aug. 31, 2024. 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.
President

UNAUDITED
Lamar Institute of Technology (789)
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LAMAR INSTITUTE
OF TECHNOLOGY

November 20, 2024

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, 2024, 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™

The Texas State University System

ORGANIZATIONAL DATA

BOARD OF REGENTS OFFICERS

Alan L. Tinsley
Don Flores

Chairman
Vice Chairman

MEMBERS

<u>Name</u>	<u>City</u>	<u>Term Expires</u>
Sheila Faske	Rose City	2027
Stephen Lee	Bastrop	2027
William F. Scott	Nederland	2025
Duke Austin	Houston	2029
Tom Long	Frisco	2029
Charlie Amato	San Antonio	2025
Russell Gordy	Houston	2029
Olivia Discon	Student Regent- Huntsville	2025

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
Statement of Net Position
For the Year Ended August 31, 2024

	2024	2023
ASSETS		
Current Assets:		
Cash and Cash Equivalents: (Note 3)		
Cash on Hand (Including Petty Cash)	\$ 1,550.00	\$ 1,550.00
Cash in Bank	3,320,113.87	4,095,577.06
Cash in State Treasury (Schedule 3)	6,102,593.90	5,405,480.22
Cash Equivalents	4,828,770.86	4,611,745.32
Restricted:		
Cash and Cash Equivalents: (Note 3)		
Cash in Bank	1,261,314.21	788,088.27
Cash in State Treasury (Schedule 3)	193.16	31,000.00
Legislative Appropriations	20,344,770.59	19,341,499.08
Receivables:		
Federal	1,796,279.94	1,337,067.22
Accounts – Tuition	2,536,270.34	2,681,185.15
Due From Other Agencies (Note 12)	327,647.00	132,208.00
Prepaid Items	283,963.00	-
Total Current Assets	40,803,466.87	38,425,400.32
Noncurrent Assets		
Restricted:		
Cash and Cash Equivalents: (Note 3)		
Cash in Bank	1,073,438.97	976,207.27
Receivables	461,123.98	391,871.33
Land and Land Improvements	2,645,703.30	2,581,579.96
Construction in Progress	28,334,453.54	5,919,563.17
Other Capital Assets	256,000.00	156,000.00
Depreciable or Amortizable		
Building and Building Improvements	41,831,017.72	41,831,017.72
Less Accumulated Depreciation	(21,109,913.45)	(19,788,154.61)
Facilities and Other Improvements	5,715,192.27	5,715,192.27
Less Accumulated Depreciation	(3,415,379.99)	(3,163,718.63)
Furniture and Equipment	17,231,056.44	12,113,745.49
Less Accumulated Depreciation	(8,452,408.24)	(7,353,831.35)
Vehicles, Boats, and Aircraft	1,229,889.65	961,901.65
Less Accumulated Depreciation	(393,428.82)	(288,691.35)
Computer Software – Intangible	1,730,535.25	1,456,545.25
Less Accumulated Amortization	(1,064,165.95)	(718,059.07)
Other Capital Assets	11,996.61	11,996.61
Less Accumulated Depreciation	(10,446.04)	(10,355.32)
Right to Use Assets:		
Amortizable:		
Building and Building Improvements	1,889,372.52	1,889,372.52
Less Accumulated Amortization	(1,039,155.54)	(661,280.70)
Total Noncurrent Assets	66,924,882.22	42,020,902.21
Total Assets	\$ 107,728,349.09	\$ 80,446,302.53

UNAUDITED
Lamar Institute of Technology
Statement of Net Position
For the Year Ended August 31, 2024

	2024	2023	
LIABILITIES			
Current Liabilities:			
Payables from:			
Accounts Payable	\$ 2,291,709.15	\$ 3,017,060.84	
Payroll Payable	857,155.94	741,769.48	
Due to Other Agencies (Note 12)	22,020.85	63,342.60	
Unearned Revenues	5,549,012.49	4,785,652.09	
Employees' Compensable Leave (Note 5)	93,196.71	88,292.73	
Right to Use Lease Obligations	373,973.51	370,224.21	
Other Current Liabilities	277,733.00	1,026,332.00	
Total Current Liabilities	9,464,801.65	10,092,673.95	
Noncurrent Liabilities			
Right to Use Leases Obligations	504,482.07	878,455.58	
Employees' Compensable Leave (Note 5)	528,114.66	500,325.45	
Total Non-Current Liabilities	1,032,596.73	1,378,781.03	
Total Liabilities	\$ 10,497,398.38	\$ 11,471,454.98	
NET POSITION			
Net Investment in Capital Assets	\$ 64,511,863.69	\$ 39,404,143.82	
Unrestricted:			
HEF	16,939,122.73	14,373,088.07	
Other	15,779,964.29	15,197,615.66	
Total Net Position	\$ 97,230,950.71	\$ 68,974,847.55	

UNAUDITED
Lamar Institute of Technology
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2024

	<u>2024</u>	<u>2023</u>
Operating Revenues:		
Tuition and Fees – Pledged	\$ 9,472,386.77	\$ 9,274,268.09
Tuition and Fees – Discounts/Allowances	(3,329,017.58)	(4,549,125.14)
Federal Revenue	112,527.25	288,702.51
Federal Pass Through Revenue	825,207.81	801,650.02
State Grant Pass Through Revenue	2,409,108.54	681,012.00
Other Operating Revenues – Pledged	133,576.12	82,229.02
Total Operating Revenues	<u>9,623,788.91</u>	<u>6,578,736.50</u>
Operating Expenses:		
Instruction	15,636,998.92	14,538,492.71
Public Service	198,117.03	166,396.01
Academic Support	2,930,022.85	2,099,519.12
Student Services	2,303,066.37	1,599,925.77
Institutional Support	5,373,244.27	4,956,966.33
Operation and Maintenance of Plant	2,791,228.67	2,839,868.31
Scholarships and Fellowships	7,173,910.86	8,711,255.42
Auxiliary	611,857.98	466,992.92
Depreciation & Amortization	3,585,782.97	3,165,400.29
Total Operating Expenses	<u>40,604,229.92</u>	<u>38,544,816.88</u>
Operating Income (Loss)	(30,980,441.01)	(31,966,080.38)
Nonoperating (Revenues) Expenses:		
Legislative Revenue (GR)	26,359,763.00	22,806,738.00
Additional Appropriations (GR)	3,809,965.65	3,363,777.00
Federal Revenue	7,556,170.30	12,516,378.69
Gifts – Non-Pledged	2,001,462.21	1,397,686.12
Investment Income – Pledged	587,588.22	430,852.03
Gain/(Loss) Sale Capital Assets	-	(4,291.78)
Other Nonoperating Expenses	609,732.37	(1,184,128.48)
Total Nonoperating Revenues (Expenses)	<u>40,924,681.75</u>	<u>39,327,011.58</u>
Income (Loss) before Capital Contributions, Endowments and Transfers	9,944,240.74	7,360,931.20
Capital Contributions, Endowments and Transfers		
Capital Appropriations (HEF)	2,630,158.00	2,553,130.00
Transfers-In (Note 12)	20,591,465.82	2,106,850.00
Transfers-Out (Note 12)	(739,123.40)	(293,404.00)
Legislative Transfer-In (Note 12)	60,362.00	9,865.00
Legislative Transfer-Out (Note 12)	(4,231,000.00)	(965,750.00)
Legislative Appropriations Lapsed	-	(584,285.95)
Total Capital Contributions, Endowments and Transfers	<u>18,311,862.42</u>	<u>2,826,405.05</u>
Change in Net Position	28,256,103.16	10,187,336.25
Total Net Position, September 1	68,974,847.55	58,787,511.30
Restatements	-	-
Total Net Position, September 1, as Restated	<u>68,974,847.55</u>	<u>58,787,511.30</u>
Total Net Position, August 31	<u>\$ 97,230,950.71</u>	<u>\$ 68,974,847.55</u>

UNAUDITED
Lamar Institute of Technology
Matrix of Operating Expenses Reported by Function
For the Year Ended August 31, 2024

2024

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	8,538,952.84	-	131,364.78	1,651,786.85	1,034,350.74	3,470,124.11	283,671.73	43,689.25	13,920.00	-	15,167,860.30
Payroll Related Costs	2,948,489.92	-	42,506.52	514,774.21	312,744.24	1,113,707.39	100,884.46	-	1,064.88	-	5,034,171.62
Professional Fees and Services	950,235.41	-	-	10,639.00	60,108.40	79,979.42	3,200.00	-	225,732.31	-	1,329,894.54
Travel	-	-	-	109,794.51	17,630.09	64,535.70	-	-	22,914.21	-	214,874.51
Materials and Supplies	456,733.00	-	2,781.98	39,623.57	56,694.42	94,510.00	92,109.10	-	96,215.53	-	838,667.60
Communications and Utilities	315,849.54	-	-	227,013.88	243,126.69	145,120.86	546,882.64	-	-	-	1,477,993.61
Repairs and Maintenance	422,757.88	-	-	14,864.85	67,760.00	13,812.75	530,589.57	-	34,150.40	-	1,083,935.45
Rentals and Leases	2,025.00	-	-	11,540.00	-	54,400.79	9,210.46	-	-	-	77,176.25
Printing and Reproduction	8,470.49	-	-	6,604.65	18,293.22	3,873.52	1,018.85	-	703.96	-	38,964.69
Depreciation and Amortization*	-	-	-	-	-	-	-	-	-	3,585,782.97	3,585,782.97
Bad Debt Expense	373,220.01	-	-	-	-	-	-	-	15,710.73	-	388,930.74
Interest	1.33	-	-	-	-	10,827.76	9.48	-	-	-	10,838.57
Scholarships	77,472.00	-	-	-	-	-	-	7,130,221.61	980.00	-	7,208,673.61
Other Operating Expenses	1,542,791.50	-	21,463.75	343,381.33	492,358.57	322,351.97	1,223,652.38	-	200,465.96	-	4,146,465.46
Total Operating Expenses	15,636,998.92	-	198,117.03	2,930,022.85	2,303,066.37	5,373,244.27	2,791,228.67	7,173,910.86	611,857.98	3,585,782.97	40,604,229.92

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

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
Statement of Cash Flows
For the Year Ended August 31, 2024

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from Tuition and Fees	\$ 7,115,967.87	\$ 4,255,826.12
Proceeds from Research Grants and Contracts	2,890,593.66	1,924,144.53
Payments to Suppliers for Goods and Services	(10,347,899.12)	(10,240,513.60)
Payments to Employees for Salaries	(17,365,418.95)	(13,270,878.70)
Payments for Other Operating Expenses	(7,130,221.61)	(8,640,968.40)
Net Cash Provided by Operating Activities	\$ (24,836,978.15)	\$ (25,972,390.05)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Proceeds from State Appropriations	\$ 29,168,443.82	\$ 21,038,639.74
Proceeds from Gifts	2,001,462.21	1,397,686.12
Proceeds of Transfers from Other State Agencies	20,651,827.82	106,850.00
Proceeds from Grant Receipts	7,357,768.52	12,726,834.02
Payments for Transfers to Other State Agencies	(799,485.40)	(994.00)
Payments for Other Noncapital Financing Uses	(898,021.58)	(1,235,601.48)
Net Cash Provided by Noncapital Financing Activities	\$ 57,481,995.39	\$ 34,033,414.40
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from Debt Issuance	\$ -	\$ 2,000,000.00
Payments for Additions to Capital Assets	(28,323,278.63)	(9,315,916.69)
Payments of Principal on Debt	(4,231,000.00)	(595,000.00)
Payments for Leases	-	(343,931.82)
Payments of Interest on Debt Issuance	-	(370,750.00)
Net Cash Provided by Capital and Related Financing Activities	\$ (32,554,278.63)	\$ (8,625,598.51)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Interest Income	\$ 587,588.22	\$ 430,852.03
Net Cash Provided by Investing Activities	\$ 587,588.22	\$ 430,852.03
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 678,326.83	\$ (133,722.13)
Cash and Cash Equivalents, September 1	15,909,648.14	16,043,370.27
Restatements to Beginning Cash and Cash Equivalents	-	-
Cash and Cash Equivalents, September 1, - Restated	15,909,648.14	16,043,370.27
Cash and Cash Equivalents, August 31	\$ 16,587,974.97	\$ 15,909,648.14

UNAUDITED
Lamar Institute of Technology
Statement of Cash Flows
For the Year Ended August 31, 2024

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

	<u>2024</u>	<u>2023</u>
Operating Income (Loss)	\$ (30,980,441.01)	\$ (31,966,080.38)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Amortization and Depreciation	3,585,782.97	3,165,400.29
Bad Debt Expense	388,930.74	-
On-Behalf Benefit Payments	2,688,533.32	2,447,294.82
Operating Income (Loss) and Cash Flow Categories: Classification Differences		
Changes in Assets and Liabilities:		
(Increase) Decrease in Receivables	(311,335.13)	577,721.34
(Increase) Decrease in Prepaid Expenses	(283,963.00)	-
(Increase) Decrease in Loans & Contracts	(69,252.65)	(198,670.76)
Increase (Decrease) in Payables	(651,286.98)	334,562.46
Increase (Decrease) in Deposits	-	(77,980.03)
Increase (Decrease) in Unearned Revenue	763,360.40	(699,836.40)
Increase (Decrease) in Compensated Absence Liability	32,693.19	101,266.79
Increase (Decrease) in Other Liabilities	-	343,931.82
Total Adjustments	<u>6,143,462.86</u>	<u>5,993,690.33</u>
Net Cash Provided by Operating Activities	<u>\$ (24,836,978.15)</u>	<u>\$ (25,972,390.05)</u>

UNAUDITED
Lamar Institute of Technology
Statement of Fiduciary Net Position
For the Year Ended August 31, 2024

	2024	2023
ASSETS		
Cash and Cash Equivalents:		
Cash in Bank	\$ 3,094,543.95	\$ -
Accounts	1,371,424.11	-
	\$ 4,465,968.06	\$ -
Total Assets	\$ 4,465,968.06	\$ -
 LIABILITIES		
Payables from:		
Accounts	\$ 3,522,058.06	\$ -
Unearned Revenues	331,422.47	-
	\$ 3,853,480.53	\$ -
Total Liabilities	\$ 3,853,480.53	\$ -
 NET POSITION		
Fiduciary NP Other Purposes	\$ 612,487.53	\$ -
Total Net Position	\$ 612,487.53	\$ -

UNAUDITED
Lamar Institute of Technology
Statement of Revenues, Expenses, and Changes in Fiduciary Net Position
For the Year Ended August 31, 2024

	2024	2023
Additions:		
Contributions:		
Other Contributions	\$ 7,811,488.42	\$ -
Total Contributions	7,811,488.42	-
Total Additions	\$ 7,811,488.42	\$ -
Deductions:		
Administrative Expenses	\$ 253,547.93	\$ -
Other Expenses	6,945,452.96	-
Transfer Out	-	-
Total Deductions	\$ 7,199,000.89	\$ -
Increase(Decrease) in Net Position	\$ 612,487.53	\$ -
Net Positon		
Total Net Position, September 1	-	-
Restatements	-	-
Total Net Position, September 1, as Restated	-	-
Total Net Position, August 31	\$ 612,487.53	\$ -

Lamar Institute of Technology

Notes to the Financial Statements For the Year Ended August 31, 2024

Note 1: Summary of Significant Accounting Policies

Reporting Entity

Lamar Institute of Technology (“LIT”) serves the State of Texas (the “State”) by providing a high-quality education to its residents and is based in Beaumont, Texas.

As part of the University of Lamar, the Lamar Institute of Technology traces its roots back to March 8, 1923. The legal entity of LIT began to take shape in 1990 when all two-year programs at Lamar University-Beaumont were combined and turned 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 TSUS, which 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 Orange, and Lamar State College Port Arthur.

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 the 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 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 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 with the reporting entity. As previously noted, LIT is considered by the State as one of the academic entities that comprise TSUS; however, each entity is considered an agency of the State.

Lamar Institute of Technology

Notes to the Financial Statements For the Year Ended August 31, 2024

LIT is affiliated with one alumni association that has the sole purpose of supporting the educational and other activities of the college.

LIT is affiliated with one foundation that has the sole purpose of supporting the educational and other activities of the college. The LIT Foundation solicits donations and acts as a coordinator of gifts made by other parties. The Lamar Institute of Technology Foundation (the “Foundation”) is a separate legal entity registered with the IRS as a 501(c)(3) organization, and its efforts benefit LIT and its students. 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 Foundation solicits donations and acts as a coordinator of gifts made by other parties. The Foundation gave \$826,682 in scholarship money to LIT in FY 2024.

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 2024 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.

Fiduciary Funds

LIT holds funds for external entities for which LIT has no direct administrative or financial involvement and where the funds exclusively benefit the external entities. In accordance with GASB Statement No. 84, *Fiduciary Activities*, (GASB 84) these fiduciary activities are reported in a separate statement of fiduciary net position and a separate statement of changes in fiduciary net position (Fiduciary Statements).

Lamar Institute of Technology

Notes to the Financial Statements For the Year Ended August 31, 2024

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 nonoperating 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 the 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 Net Position

Assets

Current and Noncurrent Assets

Current assets are those that are readily available to meet current operational requirements. Noncurrent 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.

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.

Investments

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

Lamar Institute of Technology

Notes to the Financial Statements For the Year Ended August 31, 2024

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 Statement 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 State 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 through August 31, 2024. Effective September 1, 2024, the aforementioned threshold increased to \$10,000 in accordance with the Comptroller's reporting requirements. 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 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. Intangible assets are amortized based on the estimated useful life of the asset using the straight-line method.

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Notes to the Financial Statements For the Year Ended August 31, 2024

For leased assets, LIT capitalizes in accordance with GASB Statement No. 87, *Leases*, for all lease agreements with a net present value of future lease payments per unit exceeding \$100,000. LIT capitalizes in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, for SBITAs with a net present value of future subscription payments per contract exceeding \$500,000.

Lease Receivables

Lease receivable is calculated as the present value of the lease receipts expected during the lease term. The lessor records a lease receivable and a deferred inflow of resources on its financial statements.

Other Receivables

The disaggregation of other receivables as reported in the financial statements is disclosed 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 Statement of Net Position 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 Position. These obligations are normally paid from the same funding source from which each employee's salary or wage compensation was paid.

Lease Liabilities

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Notes to the Financial Statements For the Year Ended August 31, 2024

Lease liability represents the amount recognized by a lessee on its financial statements regarding its leases. It is initially measured at the present value of lease payments and is remeasured whenever there is a change in lease payments or lease modification. Liabilities are reported separately as either current or noncurrent.

SBITA Liabilities

A subscription liability is measured at the present value of payments, based on a contract, to be made during the subscription term. LIT, as a subscriber, will reduce the subscription liability as payments are made and recognize an outflow of resources for interest on the liability. The subscription liability is split into current and noncurrent portions. Additional information is available in Note 8, *Leases and SBITAs*.

Bonds Payable - General Obligation Bonds

General obligation bonds are accounted for 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 the 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 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. 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 fund 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 bond, notes, and other debt that are 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 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.

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Notes to the Financial Statements For the Year Ended August 31, 2024

Expendable – net position use is subject to externally imposed stipulations that can be fulfilled by actions pursuant to those stipulations, or that expire with 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.

Operating and Nonoperating 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.

Nonoperating 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 nonoperating items defined by GASB.

Interagency Activities and Transactions

LIT has the following types of transactions among related agencies:

Transfers: Legally required transfers that are reported when incurred as “Transfers In” by the recipient fund and as “Transfers Out” by the disbursing fund.

Reimbursements: Reimbursements are repayments from funds responsible for expenditures or expenses to funds that made the actual payment. Reimbursements of expenditures made by one agency for another are recorded as expenditures in the reimbursing agency and as a reduction of expenditures in the reimbursed funds. Reimbursements are not displayed in the financial statements.

Receivables and Payables: Interagency 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 “noncurrent”.

Lamar Institute of Technology

Notes to the Financial Statements For the Year Ended August 31, 2024

Sales and Purchases: Charges or collections for services rendered by one agency to another are recorded as revenues of the recipient agency and expenditures or expenses of the disbursing agency.

The composition of LIT's interfund activities and transactions is presented in Note 12.

Note 2: Capital Assets

A summary of changes in Capital Assets for the year ended August 31, 2024 is presented below:

	Balance 09/01/23	Additions	Deletions	Balance 08/31/24
Non-depreciable Non-Amortized Assets				
Land and Land Improvements	\$ 2,581,579.96	\$ 64,123.34	\$ -	\$ 2,645,703.30
Construction in Progress	5,919,563.17	22,414,890.37	-	28,334,453.54
Other Capital Assets	156,000.00	100,000.00	-	256,000.00
Total Non-depreciable Assets	<u>8,657,143.13</u>	<u>22,579,013.71</u>	<u>-</u>	<u>31,236,156.84</u>
Depreciable Assets				
Buildings and Building Improvements	41,831,017.72	-	-	41,831,017.72
Infrastructure	-	-	-	-
Facilities & Other Improvements	5,715,192.27	-	-	5,715,192.27
Furniture and Equipment	12,113,745.49	5,202,286.92	(84,975.97)	17,231,056.44
Vehicle, Boats & Aircraft	961,901.65	267,988.00	-	1,229,889.65
Other Capital Assets	11,996.61	-	-	11,996.61
Total Depreciable Assets	<u>60,633,853.74</u>	<u>5,470,274.92</u>	<u>(84,975.97)</u>	<u>66,019,152.69</u>
Accumulated Depreciation - Depreciable Assets				
Buildings and Improvements	(19,788,154.61)	(1,321,758.84)	-	(21,109,913.45)
Infrastructure	-	-	-	-
Facilities & Other Improvements	(3,163,718.63)	(251,661.36)	-	(3,415,379.99)
Furniture and Equipment	(7,353,831.35)	(1,183,552.86)	84,975.97	(8,452,408.24)
Vehicle, Boats & Aircraft	(288,691.35)	(104,737.47)	-	(393,428.82)
Other Capital Assets	(10,355.32)	(90.72)	-	(10,446.04)
Total accumulated depreciation	<u>(30,604,751.26)</u>	<u>(2,861,801.25)</u>	<u>84,975.97</u>	<u>(33,381,576.54)</u>
Amortized Assets - Intangible				
Land use Rights	-	-	-	-
Computer software	1,456,545.25	273,990.00	-	1,730,535.25
Total Amortizable Assets - Intangible	<u>1,456,545.25</u>	<u>273,990.00</u>	<u>-</u>	<u>1,730,535.25</u>
Accumulated Amortization - Amortizable Assets - Intangible				
Computer Software	(718,059.07)	(346,106.88)	-	(1,064,165.95)
Total Accumulated Amortization	<u>(718,059.07)</u>	<u>(346,106.88)</u>	<u>-</u>	<u>(1,064,165.95)</u>
Capital assets, net	<u>\$ 39,424,731.79</u>	<u>\$ 25,115,370.50</u>	<u>\$ -</u>	<u>\$ 64,540,102.29</u>
Amortized Assets - Intangible				
Lease	\$ 1,889,372.52	\$ -	\$ -	\$ 1,889,372.52
Subscription Assets	-	-	-	-
Total Amortizable Assets - Intangible	<u>1,889,372.52</u>	<u>-</u>	<u>-</u>	<u>1,889,372.52</u>
Accumulated Amortization - Amortizable Assets - Intangible				
Lease	(661,280.70)	(377,874.84)	-	(1,039,155.54)
Subscription Assets	-	-	-	-
Total Accumulated Amortization	<u>(661,280.70)</u>	<u>(377,874.84)</u>	<u>-</u>	<u>(1,039,155.54)</u>
Intangible Right to Use Assets, Net	<u>\$ 1,228,091.82</u>	<u>\$ (377,874.84)</u>	<u>\$ -</u>	<u>\$ 850,216.98</u>

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Notes to the Financial Statements For the Year Ended August 31, 2024

A summary of changes in Capital Assets for the year ended August 31, 2023 is presented below:

	Balance 09/01/22	Additions	Deletions	Balance 08/31/23
Non-depreciable Non-Amortized Assets				
Land and Land Improvements	\$ 2,539,377.71	\$ 42,202.25	\$ -	\$ 2,581,579.96
Construction in Progress	2,441,803.37	3,477,759.80	-	5,919,563.17
Other Capital Assets	156,000.00	-	-	156,000.00
Total Non-depreciable Assets	<u>5,137,181.08</u>	<u>3,519,962.05</u>	<u>-</u>	<u>8,657,143.13</u>
Depreciable Assets				
Buildings and Building Improvements	40,167,215.41	1,663,802.31	-	41,831,017.72
Infrastructure	-	-	-	-
Facilities & 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
Vehicle, Boats & 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	<u>55,334,281.75</u>	<u>5,467,166.63</u>	<u>(167,594.64)</u>	<u>60,633,853.74</u>
Accumulated Depreciation - Depreciable Assets				
Buildings and Improvements	(18,414,692.27)	(1,373,462.34)	-	(19,788,154.61)
Infrastructure	-	-	-	-
Facilities & 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)
Vehicle, Boats & 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	<u>(28,271,837.55)</u>	<u>(2,496,216.57)</u>	<u>163,302.86</u>	<u>(30,604,751.26)</u>
Amortized Assets - Intangible				
Land use Rights	-	-	-	-
Computer software	1,127,757.25	328,788.00	-	1,456,545.25
Total Amortizable Assets - Intangible	<u>1,127,757.25</u>	<u>328,788.00</u>	<u>-</u>	<u>1,456,545.25</u>
Accumulated Amortization - Amortizable Assets - Intangible				
Computer Software	(426,750.19)	(291,308.88)	-	(718,059.07)
Total Accumulated Amortization	<u>(426,750.19)</u>	<u>(291,308.88)</u>	<u>-</u>	<u>(718,059.07)</u>
Capital assets, net				
	<u>\$ 32,900,632.34</u>	<u>\$ 6,528,391.23</u>	<u>\$ (4,291.78)</u>	<u>\$ 39,424,731.79</u>
Amortized Assets - Intangible				
Lease	\$ 1,889,372.52	\$ -	\$ -	\$ 1,889,372.52
Subscription Assets	-	-	-	-
Total Amortizable Assets - Intangible	<u>1,889,372.52</u>	<u>-</u>	<u>-</u>	<u>1,889,372.52</u>
Accumulated Amortization - Amortizable Assets - Intangible				
Lease	(283,405.86)	(377,874.84)	-	(661,280.70)
Subscription Assets	-	-	-	-
Total Accumulated Amortization	<u>(283,405.86)</u>	<u>(377,874.84)</u>	<u>-</u>	<u>(661,280.70)</u>
Intangible Right to Use Assets, Net				
	<u>\$ 1,605,966.66</u>	<u>\$ (377,874.84)</u>	<u>\$ -</u>	<u>\$ 1,228,091.82</u>

Note 3: Deposits, Investments, and Repurchase Agreements

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

Lamar Institute of Technology

Notes to the Financial Statements For the Year Ended August 31, 2024

Deposits of Cash in Bank

As of August 31, 2024, the carrying amount of deposits was \$8,749,411.00 and \$5,859,872.60 as of August 31, 2023. These amounts consist of all cash in local banks. These amounts are included on the Statement of Net Position as part of the “cash and cash equivalents” accounts.

August 31, 2024:

PROPRIETARY FUNDS: CASH IN BANK - CARRYING VALUE	\$5,654,867.05
Cash in Bank per AFR	\$5,654,867.05
Proprietary Funds Current Assets Cash in Bank	3,320,113.87
Proprietary Funds Current Assets Restricted Cash in Bank	1,261,314.21
Proprietary Funds Non-current Restricted Cash in Bank	1,073,438.97
Cash in Bank per AFR	\$5,654,867.05

FIDUCIARY FUNDS: CASH IN BANK - CARRYING VALUE	\$3,094,543.95
Cash in Bank per AFR	\$3,094,543.95
Fiduciary Funds Current Assets Cash in Bank	3,094,543.95
Cash in Bank per AFR	\$3,094,543.95

August 31, 2023:

CASH IN BANK - CARRYING VALUE	\$5,859,872.60
Cash in Bank per AFR	\$5,859,872.60
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	976,207.27
Cash in Bank per AFR	\$5,859,872.60

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. As of August 31, 2024, and 2023, respectively, the total bank balance was \$8,929,349.12 and \$5,987,174.46, respectively.

Foreign currency risk for deposits is the risk that changes in exchange rates will adversely affect the deposit. LIT had no exposure to foreign currency risk for deposits as of August 31, 2024.

Investments

LIT’s investments consist solely of investments in an external investment pool, TexPool, which is measured at amortized cost.

Lamar Institute of Technology

Notes to the Financial Statements For the Year Ended August 31, 2024

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 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.

Fair Value of Investments

LIT measures and records investments using fair value measurement guidelines in accordance with GASB Statement 72, *Fair Value Measurement and Application*. GASB 72 recognizes a three-level fair value hierarchy for inputs to valuation techniques:

Level 1: Quoted prices for identical investments in active markets;

Level 2: Observable inputs other than quoted market prices; or,

Level 3: Unobservable inputs.

Net Asset Value: Net Asset Value Per Share (NAVPS) method is used when there is no readily determinable fair value.

As of August 31, 2024, the fair value of investments was **Level 1** and was as follows:

Texpool	\$4,828,770.86
Total Investments	\$4,828,770.86
Consisting of the following:	
Proprietary Funds Current Cash Equivalent	\$4,828,770.86
Proprietary Funds Current Restricted Cash Equivalent	-
Proprietary Funds Non-current Restricted Cash Equivalent	-
Proprietary Funds Non-current Restricted Investments	-
Total , as above	\$4,828,770.86
Proprietary Funds CDs disclosed as Deposits but reported as Non-current Restricted Investments on Financial Statement	-
Governmental Funds Uninvested Case Collateral disclosed as deposits but reported as Securities Lending Collateral on Financial Statement	-
Total Investments per Financial Statements	\$4,828,770.86

Lamar Institute of Technology

Notes to the Financial Statements For the Year Ended August 31, 2024

Deposit and Investment Risk Factors

The following paragraphs describe various types of risk related to Deposits and Investments.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, LIT will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. LIT's investment policy limits holding of securities by counterparties to those involved with securities lending. As of August 31, 2024, LIT had no investments subject to custodial credit risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The TSUS investment policy requires that investments in debt securities have credit ratings recognized by the agencies of Standard and Poor's, Finch, and/or Moody's. For operating, a Short-Intermediate Term fund's portfolio with an average credit quality of the entire portfolio is to be greater than or equal to A- as defined by Standard and Poor's (A- by Finch, A3 for Moody's). The minimum credit quality of any diversified fund vehicle must be investment grade at the time of purchase. Operating Long-Term funds' portfolios are intended to be invested in a similar manner to Endowment funds, but no more than 20% of the global fixed income and credit may be rated below investment grade, and no more than 15% of the total Long-Term Operating Portfolio may be invested in emerging/frontier markets, a sub-set of international. An Operating Long-Term funds portfolio may only invest up to 60% of the market value of its total operating funds portfolio, exclusive of bond proceeds, in this type of investment strategy. In order to invest with managers who utilize alternative investments, LIT must retain an investment consultant. For the Endowment portfolio, risk is controlled through the portfolio diversification of market sector and maturity. Risk is further defined by prohibited investments and activities and limited by maximum single purchase and maximum aggregate position percentages.

LIT has no investments at this time other than TexPool.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributable to the magnitude of investment in a single issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this disclosure requirement. As of August 31, 2024, LIT was not subject to concentration of credit risk.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. LIT is not required to disclose interest rate risk.

Foreign Currency Risk

Foreign currency risk for investments is the risk that changes in exchange rates will adversely affect the investment. As of August 31, 2024, LIT was not aware of any material foreign currency risk.

Lamar Institute of Technology

Notes to the Financial Statements For the Year Ended August 31, 2024

Reverse Repurchase, Securities Lending, and Derivative Investing

LIT did not participate in reverse repurchase agreements, securities lending, or derivative investing during fiscal year 2024.

Note 4: Short Term Debt

LIT has no short-term debt to report as of August 31, 2024 and 2023.

Note 5: Long-Term Liabilities

The following changes occurred in liabilities during the fiscal year ended August 31, 2024 and 2023, respectively:

	Balance 9/1/2023	Additions	Reductions	Balance 8/31/2024	Amounts Due Within One Year	Amounts Due Thereafter
Compensable Leave	\$ 588,618.18	\$ 32,693.19	\$ -	\$ 621,311.37	\$ 93,196.71	\$ 528,114.66
Right to Use Lease Obligations	1,248,679.79	-	370,224.21	878,455.58	373,973.51	504,482.07
Right to Use Subscription Obligations	-	-	-	-	-	-
	<u>\$ 1,837,297.97</u>	<u>\$ 32,693.19</u>	<u>\$ 370,224.21</u>	<u>\$ 1,499,766.95</u>	<u>\$ 467,170.22</u>	<u>\$ 1,032,596.73</u>

	Balance 9/1/2022	Additions	Reductions	Balance 8/31/2023	Amounts Due Within One Year	Amounts Due Thereafter
Compensable Leave	\$ 487,351.39	\$ 101,266.79	\$ -	\$ 588,618.18	\$ 88,292.73	\$ 500,325.45
Right to Use Lease Obligations	1,592,611.61	-	343,931.82	1,248,679.79	370,224.21	878,455.58
Right to Use Subscription Obligations	-	-	-	-	-	-
	<u>\$ 2,079,963.00</u>	<u>\$ 101,266.79</u>	<u>\$ 343,931.82</u>	<u>\$ 1,837,297.97</u>	<u>\$ 458,516.94</u>	<u>\$ 1,378,781.03</u>

Bonds Payable

See Note 6 for a discussion of bonded indebtedness.

Employees' 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 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

Lamar Institute of Technology

Notes to the Financial Statements For the Year Ended August 31, 2024

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.

Nonexempt 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, 2024 and 2023.

Claims and Judgments:

At August 31, 2024 and 2023, 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.

Right to Use Lease Obligations:

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

Right to Use SBITA Obligations:

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

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Notes to the Financial Statements For the Year Ended August 31, 2024

Note 6: Bonded Indebtedness

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

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

Description	Year	Principal	Interest	Total
All Series	2025	\$ 3,082,268.00	\$ 1,147,481.76	\$ 4,229,749.76
	2026	2,378,464.00	1,256,306.06	3,634,770.06
	2027	2,497,381.00	1,137,382.86	3,634,763.86
	2028	3,013,370.00	1,012,513.80	4,025,883.80
	2029	3,250,416.00	861,845.30	4,112,261.30
	2030-2033	13,986,490.00	1,731,189.40	15,717,679.40
Totals		<u>\$ 28,208,389.00</u>	<u>\$ 7,146,719.18</u>	<u>\$ 35,355,108.18</u>

A portion of the debt represents Tuition Revenue Bonds historically funded by the Texas Legislature through General Revenue Appropriations. LIT was appropriated \$4,231,000.00 and \$965,750.00 during the 2024 and 2023 fiscal years, respectively, for Tuition Revenue Bond debt service. LIT expects future Legislative appropriations to meet the debt service for Tuition Revenue Bonds.

Note 7: Derivatives

LIT has no derivative instruments to report as of August 31, 2024 and 2023.

Note 8: Leases and Subscription-Based Information Technology Arrangements (SBITAs)

The Comptroller has established \$100,000 as the minimum threshold amount for the capitalization of leases. Lease agreements must be capitalized if the net present value of future lease payments per unit exceed this threshold. LIT entered into a lease arrangement for the use of building space. The future minimum lease payments under right to use lease obligations as of August 31, 2024 related to this building space were as follows:

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Notes to the Financial Statements For the Year Ended August 31, 2024

Year	Principal	Interest	Total Future Minimum Lease Payments
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	\$ 878,455.58	\$ 10,660.85	\$ 889,116.43

The Comptroller has established \$500,000 as the minimum threshold amount for subscription-based information technology arrangements (SBITA) contract capitalization. SBITA agreements must be capitalized if the net present value of future subscription payments per contract exceeds this threshold. LIT has entered into various agreements for IT subscriptions as of August 31, 2024 and August 31, 2023. These agreements range in terms up to year 2027. In fiscal year 2024, the total capitalizable subscription payments were \$0.

LIT entered into a SBITA that met the capitalization threshold as of August 31, 2024. However, the project remains in the initial implementation state and has yet to go live. As a result, in accordance with the provisions of GASB 96, the payments made during this phase have been classified to prepaid expense in the amount of \$283,963. The future minimum subscription payments under the right to use subscription obligation will be determined when the project is complete in FY 2025, and the subscription term commences.

LIT did not have any SBITAs as of August 31, 2023, that qualified for capitalization as determined by the Comptroller; as a result, the associated costs were expensed when incurred.

Note 9: Defined Benefit Pension Plans and Defined Contribution Plan

Defined Benefit Pension Plan – Teacher Retirement System of Texas (TRS)

As previously discussed in Note 1, TSUS and LIT have elected to define LIT's reporting entity to include only activities in LIT's name. LIT's proportional share of pension liabilities related to LIT's activities in the name of TSUS are not reported by LIT. However, LIT has elected to make the following limited disclosures with respect to LIT pension benefits.

LIT participates in a cost-sharing, multi-employer, defined benefit pension plan administered by TRS. The plan provides retirement, disability annuities, and death and survivor benefits. The benefit and contribution provisions of the TRS Plan 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

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Notes to the Financial Statements For the Year Ended August 31, 2024

liability, and related deferred inflows and outflows. 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 College 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 the TRS retirement plan. Students employed in positions that require student status as a condition of employment do not participate.

The pension benefits 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.

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 8.25 percent of gross earnings for 2024 and 8.0 percent of gross earnings for 2023, while employer contributions were 8.25 percent of the participants' gross earnings for 2024 and 8.0 percent of the participants' gross earnings for 2023. Depending upon the source of funding for a participant's salary, the College may be required to make contributions in lieu of the State.

Contributions to TRS for the year ended August 31, 2024 and 2023, attributable to the College's portion of the pension obligation were as follows:

	Year ended August 31, 2024	Year ended August 31, 2023
Employee Contributions	\$ 952,960.37	\$ 801,889.12
Employer Contributions	<u>971,963.49</u>	<u>798,301.82</u>
Total	<u>\$1,924,923.86</u>	<u>\$1,600,190.94</u>

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Notes to the Financial Statements For the Year Ended August 31, 2024

TRS currently does not separately account for each of its component government agencies because TRS itself bears sole responsibility for retirement commitments beyond contributions fixed by the State Legislature. Further information regarding actuarial assumptions and conclusions, together with audited financial statements are included in TRS' annual financial report, which may be found on the TRS website at www.trs.state.gov.

Defined Contribution Plan - Optional Retirement Program (ORP)

The State has also established an optional retirement program (ORP) for institutions of higher education. Participation in ORP is in lieu of participating in the Teacher Retirement System and is available to certain eligible employees. 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 2024 and FY 2023. 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.

The amounts contributed by plan members and by LIT (Employer) for the fiscal year ended August 31, 2024 and 2023, respectively, are:

	Year ended August 31, 2024	Year ended August 31, 2023
Employee Contributions	\$ 106,105.00	\$ 108,890.00
Employer Contributions	<u>115,060.00</u>	<u>116,106.00</u>
Total	<u>\$ 221,165.00</u>	<u>\$ 224,996.00</u>

Since contributions are invested in individual annuity contracts, neither the State nor LIT have any liability for this program. 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

LIT does not serve as administrative agency as defined by the Texas Comptroller with respect to its Note 10; however, State employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in the Texas Government Code Annotated, Section 609.001. Two plans are available for employees' participation – TRS and ORP. The assets

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Notes to the Financial Statements For the Year Ended August 31, 2024

of the plans do not belong to LIT, TSUS, or the State. LIT, TSUS, or the State have no liability related to the plans.

Note 11: Postemployment 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.

As previously discussed in Note 1, TSUS and LIT have elected to define LIT's reporting entity to include only activities in LIT's name. LIT's proportional share of OPEB liabilities related to LIT's activities in the name of TSUS are not reported by LIT. However, LIT has elected to make the following limited disclosures with respect to LIT's OPEB.

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, Interfund Activities and Balances 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

LIT experienced routine transfers with other State agencies, which were consistent with the activities of the fund making the transfer. Repayment of interagency balances will occur within one year from the date of the financial statement.

As of August 31, 2024 and 2023, LIT has not participated in any interfund borrowing.

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Notes to the Financial Statements For the Year Ended August 31, 2024

Individual balances and activity at August 31, 2024 follows:

	Due From	Due To	Source
Agency 781, D23, Fund 7999	\$225,185.00		Local Funds
Agency 320, D23, Fund 7999	102,462.00		Local Funds
Agency 758, D23, Fund 7999		\$3,333.33	Local Funds
Agency 734, D23, Fund 7999		18,687.52	Local Funds
Total Due From/To Other Agencies (Exh A)	\$327,647.00	\$22,020.85	

Individual balances and activity at August 31, 2024 follows:

	Legislative TRANSFERS IN	Legislative TRANSFERS OUT
General Revenue Hazelwood from Agency 902	\$60,362.00	
General Revenue (01) TRB to Agency 758		\$4,231,000.00
Total Legislative Transfers	\$60,362.00	\$4,231,000.00

	TRANSFERS IN	TRANSFERS OUT	PURPOSE
Agency 758, D23, Fund 7999	\$20,585,670.82		CCAP Reimbursement
Agency 758, D23, Fund 7999		\$309,944.00	TSUS Support
Agency 781, D23, Fund 0287		1,038.00	Dental Hygiene Loan Program
Agency 753, D23, Fund 7999		50,000.00	Shared Service Program
Agency 902, D23, Fund 0210	5,795.00		Hazelwood
Agency 787, D23, Fund 7999		87,815.32	Shared Service Program
Agency 788, D23, Fund 1000		245,639.56	Shared Service Program
Agency 788, D23, Fund 7999		44,686.52	Shared Service Program
Total Transfers	\$20,591,465.82	\$739,123.40	

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
Total Due From/To Other Agencies (Exh A)	132,208.00	31,000.00	

Individual balances and activity at August 31, 2023 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	

Note 13: Continuance Subject to Review

LIT is not subject to a review of continuance.

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Notes to the Financial Statements For the Year Ended August 31, 2024

Note 14: Adjustments to Net Position

LIT had no adjustments to Net Position to report as of August 31, 2024 and August 31, 2023.

Note 15: Contingencies and Commitments

Claims and Judgments

At August 31, 2024 and 2023, 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 \$11,286,753.95 at August 31, 2024.

Note 16: Subsequent Events

LIT has no subsequent events to report as of August 31, 2024 and 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

Lamar Institute of Technology

Notes to the Financial Statements For the Year Ended August 31, 2024

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, 2024 and 2023, 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 college employees from appropriations made to the Texas Workforce Commission (TWC). The current General Appropriations Act provides that LIT must reimburse the General Revenue Fund from LIT appropriations 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, 2024 and 2023.

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 Chapter 412 and Chapter 501. The assessment paid during the fiscal year ended August 31, 2024 and 2023 amounted to \$19,972.38 and \$19,638.38 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.

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

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Notes to the Financial Statements For the Year Ended August 31, 2024

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 per person, \$500,000 per occurrence for bodily injury, and \$100,000 per occurrence for property loss. The self-insurance retention limit is \$50,000.

Note 18: Management's Discussion and Analysis

Management's Discussion and Analysis is a required part of the basic financial statements. Management's Discussion and Analysis is omitted because LIT is reported in a consolidated format with TSUS which is reported as a component of the State. Management's Discussion and Analysis as it relates to TSUS can be found in the State's 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.

Note 21: Undefined by Texas Comptroller

Reserved for future use by Texas Comptroller.

Note 22: Donor-Restricted Endowments

LIT has no cumulative net appreciation on investments of donor restricted endowments to report as of August 31, 2024 and 2023.

Note 23: Extraordinary and Special Items

No items have been identified meeting the criteria of extraordinary or special items as of August 31, 2024 and 2023.

Note 24: Disaggregation of Receivable and Payable Balances

Balances of receivables and payables reported on the Statement 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 \$490,189.66 and \$249,744.87 as of August 31, 2024 and 2023, respectively.

Note 25: Termination Benefits

LIT has no termination benefits to report as of August 31, 2024 and 2023.

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Notes to the Financial Statements For the Year Ended August 31, 2024

Note 26: Segment Information

LIT has no segments to report as of August 31, 2024 and 2023.

Note 27: Service Concession Arrangements

LIT has no service concession arrangements to report as of August 31, 2024 and 2023.

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, 2024 and 2023.

Note 29: Troubled Debt Restructuring

LIT has no troubled debt restructuring to report as of August 31, 2024 and 2023.

Note 30: Non-Exchange Financial Guarantees

LIT has no non-exchange financial guarantees to report as of August 31, 2024 and 2023.

Note 31: Tax Abatements

LIT has no tax abatements to report as of August 31, 2024 and 2023.

Note 32: Fund Balances

LIT's financial statements are presented for business-type activities as of August 31, 2024 and 2023.

LAMAR INSTITUTE OF TECHNOLOGY
SCHEDULE 1A - Schedule of Expenditures of Federal Awards
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
For the Year Ended August 31, 2024

Federal Grantor/Pass Through Grantor/ Program Title	CFDA Number	PASS-THROUGH FROM			Direct Program Amount	Total Pass-Through & Direct Program	PASS-THROUGH TO				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
Texas State University System												
Pass Through From:												
COVID -19 Governors Emergency Education Relief (GEER)	84.425C	758		\$ 28,009.03		\$ 28,009.03					\$ 28,009.03	\$ 28,009.03
Total Texas State University System				\$ 28,009.03	\$ -	\$ 28,009.03			\$ -	\$ -	\$ 28,009.03	\$ 28,009.03
Texas Workforce Commission												
Pass Through From:												
Employment Service/Wagner-Peyser Funded Activities	17.207	320		\$ 143,187.78		\$ 143,187.78					\$ 143,187.78	\$ 143,187.78
Total Texas Workforce Commission				\$ 143,187.78	\$ -	\$ 143,187.78			\$ -	\$ -	\$ 143,187.78	\$ 143,187.78
U.S. Department of Education												
Direct Programs:												
Federal Supplemental Education Opportunity Grants	84.007			\$ -	\$ 68,838.00	\$ 68,838.00			\$ -	\$ -	\$ 68,838.00	\$ 68,838.00
Federal Work-Study Program	84.033				43,689.25	43,689.25					43,689.25	43,689.25
Federal Direct Student Loans	84.268				4,700,761.00	4,700,761.00					4,700,761.00	4,700,761.00
Federal Pell Grant Program	84.063				7,556,170.30	7,556,170.30					7,556,170.30	7,556,170.30
Pass-Through From:												
Texas Higher Education Coordinating Board												
Vocational Education Basic Grants to States	84.048	781		\$ 654,011.00		\$ 654,011.00					\$ 654,011.00	\$ 654,011.00
Total U.S. Department of Education				\$ 654,011.00	\$ -	\$ 12,369,458.55	\$ 13,023,469.55		\$ -	\$ -	\$ 13,023,469.55	\$ 13,023,469.55
TOTAL FEDERAL FINANCIAL ASSISTANCE				\$ 825,207.81	\$ -	\$ 12,369,458.55	\$ 13,194,666.36		\$ -	\$ -	\$ 13,194,666.36	\$ 13,194,666.36

Federal Assistance Schedule - Reconciliation

Note 1: Not Applicable

Note 2: Reconciliation:

Federal Revenue (SRECNA)	\$ 7,668,697.55
Federal Pass Through Revenue (SRECNA)	825,207.81
Total Federal Revenue and Federal Pass-Through Revenue	\$ 8,493,905.36
Reconciliation Items	
Federal Direct Student Loans(Direct Loans)	\$ -
Total Pass-Through & Expenditures Per Federal Schedule	\$ 4,700,761.00
	\$ 13,194,666.36

UNAUDITED

LAMAR - INSTITUTE OF TECHNOLOGY
SCHEDULE 1B
SCHEDULE OF STATE GRANT PASS THROUGH FROM/TO STATE AGENCIES
For the Year Ended August 31, 2024

Pass Through From:

Texas Higher Education Coordinating Board (Agy. 781)		
College Workstudy Program (781.0023)	\$	11,068.00
TEOG Public Safety / Tech College (781.0074)		910,119.00
TEOG Public Colleges B.1.10 (781.0084)		157,671.00
HB8 Innovation & Collaboration (781.0086)		233,757.00
HB8 FAST Transfer (781.0092)		731,775.00
Texas Workforce Commission (Agy. 320)		
Jobs and Education for Texas (JET) (320.0002)		304,582.54
Skills Development (320.0003)		60,136.00
		<hr/>
Total Pass Through From Other Agencies (Exh.II)	\$	2,409,108.54
		<hr/> <hr/>

Pass Through To:

	\$	
		<hr/>
Total Pass Through To Other Agencies (Exh.II)	\$	
		<hr/> <hr/>

LAMAR INSTITUTE OF TECHNOLOGY
SCHEDULE 2A
MISCELLANEOUS BOND INFORMATION
For the Year Ended August 31, 2024

SCHEDULE NOT USED

LAMAR INSTITUTE OF TECHNOLOGY
SCHEDULE 2B
CHANGES IN BONDED INDEBTEDNESS
For the Year Ended August 31, 2024

SCHEDULE NOT USED

LAMAR INSTITUTE OF TECHNOLOGY
SCHEDULE 2C
DEBT SERVICE REQUIREMENTS
GENERAL OBLIGATION AND REVENUE BONDS
For the Year Ended August 31, 2024

SCHEDULE NOT USED

LAMAR INSTITUTE OF TECHNOLOGY
SCHEDULE 2D
ANALYSIS OF FUNDS AVAILABLE FOR DEBT SERVICE
For the Year Ended August 31, 2024

SCHEDULE NOT USED

LAMAR INSTITUTE OF TECHNOLOGY
SCHEDULE 2E DEFEASED BONDS OUTSTANDING For
the Year Ended August 31, 2024

SCHEDULE NOT USED

LAMAR INSTITUTE OF TECHNOLOGY
 SCHEDULE 3
 RECONCILIATION OF CASH IN STATE TREASURY
 For the Fiscal Year Ended August 31, 2024

Cash in State Treasury	<u>Unrestricted</u>	<u>Restricted</u>	<u>Current Year Total</u>
Available College Fund 0287	\$6,102,593.90	\$ 0.00	\$6,102,593.90
GEER Fund 0325		193.16	193.16
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			
	<hr/>	<hr/>	<hr/>
Total Cash in State Treasury (Stmt of Net Assets)	<u>\$6,102,593.90</u>	<u>\$193.16</u>	<u>\$6,102,787.06</u>

LAMAR INSTITUTE OF TECHNOLOGY
SCHEDULE 4
HIGHER EDUCATION FUND
For the Fiscal Year Ended August 31, 2024

	Totals
Balance September 1, 2023	\$ <u>14,373,088.07</u>
REVENUES	
HEF Appropriations	2,630,158.00
Total Revenues	\$ <u>2,630,158.00</u>
EXPENSES	
Instruction	
Research	
Academic Support	
Student Services	
Institutional Support	
Library	
Public Service	
Operation & Maintenance of Physical Plant	64,123.34
Unexpended Plant Funds	
Total Expenditures	\$ <u>64,123.34</u>
OTHER REVENUES(EXPENSES), GAINS/ (LOSSES) AND TRANSFERS	
Special Items	
Extraordinary Items	
Transfers In Transfers out	
Legislative Transfers In	
Legislative Transfers Out	
Legislative Appropriations Lapsed	
Total Other Revenues(Expenses), Gains/(Losses) and Transfers	
BALANCE AT AUGUST 31, 2024	\$ <u><u>16,939,122.73</u></u>



