

LAMAR INSTITUTE OF TECHNOLOGY

A Member of the Texas State University System

ANNUAL FINANCIAL REPORT

FISCAL YEAR 2009

(September 1, 2008—August 31, 2009)



**LAMAR
INSTITUTE OF
TECHNOLOGY**

Office
of Vice President
for Finance/Operations

November 17, 2009

Dr. Paul Szuch
President
Lamar Institute of Technology
Beaumont, TX 77710-0043

Dear Dr. Szuch,


Submitted herein is the Annual Financial Report of Lamar Institute of Technology for the fiscal year ended August 31, 2009, in compliance with TEX.GOV'T CODE ANN #2101.011 and in accordance with the requirements established by the Comptroller of Public Accounts.

Due to significant changes related to Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, the Comptroller of Public Accounts does not require the accompanying annual financial report to be in compliance with GAAP.

The Annual Financial Report will be audited by the State Auditor as part of the audit of the Statewide Annual Financial Report; therefore an opinion has not been expressed on the statements and related information contained in this report.

If you have any questions, please contact Jonathan Wolfe at 409 880-7633.

Respectfully Submitted and Approved,


Jonathan Wolfe,
Vice President for Finance and Operations
Lamar Institute of Technology

THE TEXAS STATE UNIVERSITY SYSTEM

Thomas J. Rusk Building
200 East 10th Street, Suite 600
Austin, Texas 78701-2407
Telephone: 512-463-1608

ORGANIZATIONAL DATA AS OF AUGUST 31, 2009

BOARD OF REGENTS

OFFICERS

Ron Blatchley Chairman
Trisha S. Pollard Vice Chairman

MEMBERS

	<u>City (Texas)</u>	<u>Term Expires</u>
Charlie Amato	San Antonio	2/1/2013
Ron Blatchley	Bryan/College Station	2/1/2011
Kevin J. Lilly	Houston	2/1/2015
Ron Mitchell	Horseshoe Bay	2/1/2015
David Montagne	Beaumont	2/1/2015
Trisha S. Pollard	Bellaire	2/1/2013
Michael Truncale	Beaumont	2/1/2013
Greg Wilkinson	Dallas	2/1/2011
Donna N. Williams	Arlington	2/1/2011
William Patterson	Student Regent - San Marcos	2/1/2010

ADMINISTRATIVE OFFICERS

SYSTEM OFFICE

Charles R. Matthews Chancellor
Dr. Fernando C. Gomez Vice Chancellor and General Counsel
Dr. Roland K. Smith Vice Chancellor for Finance
Dr. Kenneth R. Craycraft Vice Chancellor for Academic Affairs

LAMAR INSTITUTE OF TECHNOLOGY

Dr. Paul J. Szuch President
Dr. Betty Reynard Vice President Academic Affairs
Jonathan C. Wolfe Vice President for Finance and Operations

UNAUDITED

Institution Name **Lamar Institute of Technology**

Student Enrollment Data
For the Year Ended August 31, 2009

TYPE OF STUDENT	NUMBER OF STUDENTS BY SEMESTER			
	FALL 2008	SPRING 2009	SUMMER TERM 2009	
			FIRST	SECOND
Texas Residents	2,810	2,800	565	446
Out of State (Classified as Residents)	37	33	12	14
Out of State				
Foreign	1	1	0	0
Children of Disabled				
Concurrent Enrollment				
Foster Children of the State	4	4	1	0
Good Neighbor				
High School Honor Scholarships				
Hazelwood Act	21	21	10	9
Senior Citizens				
Commission for the Blind/Deaf	3	3	1	1
Fireman Exempt	6	6	1	1
Thesis Only				
Student Service Fees				
Nursing				
Faculty/Staff				
Teaching Assistants				
Competitive Scholarships				
Military Personnel	3	3	0	0
Louisiana Adjacent County				
Mexico Pilot				
National Student Exchange Program				
New Mexico Adjacent County				
Texas Tomorrow Waiver				
Adopted Students				
Military Dependent				
Pase				
TANF				
H.B. 877				
Distance Learning				
Family & Consumer Science Alliance Agreement				
Totals	2,885	2,671	590	471

Enrollment Data (Fall Semester)

Fiscal Year	STUDENTS	SEMESTER HOURS
	2009	2,885

Texas State University System
Lamar Institute of Technology
Statement of Net Assets
August 31, 2009

	<u>Total</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	
Cash on Hand	2,000.00
Cash in Bank	2,623,886.58
Cash in Transit/Reimbursement from Treasury	
Cash in State Treasury	863,975.51 (schedule 3)
Cash Equivalents	1,926,809.93
Securities Lending Collateral	
Short Term Investments	
Restricted:	
Cash and Cash Equivalents	
Cash on Hand	
Cash in Bank	50,302.36
Cash in Transit/Reimbursement from Treasury	
Cash in State Treasury	(schedule 3)
Cash Equivalents	
Short Term Investments	
Legislative Appropriations	7,615,272.63
Investments	
Receivables:	
Federal	
Other Intergovernmental	
Interest and Dividends	
Accounts Receivable	6,217,394.14
Gifts	
Investment Trades	
Other	
Interfund Receivables	
Due From Other Agencies	
Consumable Inventories	
Merchandise Inventories	
Deferred Charges	
Loans and Contracts	
Other Current Assets	
Total Current Assets	<u>19,299,641.15</u>

Texas State University System
Lamar Institute of Technology
Statement of Net Assets
August 31, 2009

	<u>Total</u>
Non-current Assets:	
Restricted:	
Cash and Cash Equivalents	
Cash on Hand	
Cash in Bank	-1,689,071.44
Cash in Transit/Reimbursement from Treasury	
Cash in State Treasury	
Cash Equivalents	
Short Term Investments	
Receivables	
Investments	
Loans and Contracts	
Other Assets	
Loans and Contracts	
Investments	
Interfund Receivables	
Capital Assets:	
Non-Depreciable:	
Land and Land Improvements	1,198,703.77
Infrastructure	
Construction in Progress	
Other Capital Assets	
Depreciable:	
Buildings and Building Improvements	16,227,357.69
Less Accumulated Depreciation	-7,517,612.31
Infrastructure	
Less Accumulated Depreciation	
Facilities and Other Improvements	608,615.72
Less Accumulated Depreciation	-462,060.32
Furniture and Equipment	4,485,542.28
Less Accumulated Depreciation	-3,276,408.79
Vehicles, Boats, and Aircraft	721,703.32
Less Accumulated Depreciation	-544,484.35
Other Capital Assets	10,000.00
Less Accumulated Depreciation	-10,000.00
Other Non-Current Assets	
Total Non-Current Assets	<u>9,752,285.57</u>
Total Assets	29,051,926.72

Texas State University System
Lamar Institute of Technology
Statement of Net Assets
August 31, 2009

Total

LIABILITIES

Current Liabilities:

Payables:

Accounts	1,155,836.58
Investment Trades	
Federal	
Other Intergovernmental	
Payroll	964,077.43
Other	

Interfund Payable	
Due to Other Agencies	9,312.50
Deferred Revenues	5,296,924.29
Notes and Loans Payable	
Revenue Bonds Payable	
General Obligation Bonds Payable	
Claims and Judgments	
Employees' Compensable Leave	44,217.48
Capital Lease Obligations	
Liabilities Payable from Restricted Assets	
Obligations/Reverse Purchase Agreements	
Obligations Under Securities Lending	
Funds Held for Others	
Other Current Liabilities	

Total Current Liabilities	7,470,368.28
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Non-Current Liabilities:

Interfund Payables	
Notes and Loans Payable	
Revenue Bonds Payable	
General Obligation Bonds Payable	
Claims and Judgments	
Employees' Compensable Leave	250,565.72
Capital Lease Obligations	
Other Non-Current Liabilities	

Total Non-Current Liabilities	250,565.72
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Total Liabilities	7,720,934.00
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NET ASSETS

Invested in Capital Assets, Net of Related Debt	11,441,357.01
Restricted For	
Education	
Debt Retirement	

Texas State University System
Lamar Institute of Technology
Statement of Net Assets
August 31, 2009

	Total
Capital Projects	
Employee Benefit	
Funds Held As Permanent Investments:	
Non-Expendable	
Expendable	
Other	
Unrestricted	<u>9,889,635.71</u>
Total Net Assets	21,330,992.72

Texas State University System
Lamar Institute of Technology
Statement of Revenues, Expenses, and Changes in Net Assets
For the Fiscal Year Ended August 31, 2009

	<u>Total</u>	
OPERATING REVENUES		
Sales of Goods and Services		
Tuition and Fees (PR-Chgs for Services)	11,822,602.81	
Tuition and Fees - Pledged (PR-Chgs for Services)		
Discounts and Allowances	-1,321,964.02	
Hospitals (PR-Chgs for Services)		
Hospitals - Pledged (PR-Chgs for Services)		
Discounts and Allowances		
Professional Fees (PR-Chgs for Services)		
Professional Fees - Pledged (PR-Chgs for Services)		
Discounts and Allowances		
Auxiliary Enterprises (PR-Chgs for Services)	166,774.92	
Auxiliary Enterprises - Pledged (PR-Chgs for Services)		
Discounts and Allowances		
Other Sales of Goods and Services		
Other Sales of Goods and Services - Pledged		
Discounts and Allowances		
Premium Revenue (PR-Chgs for Services)		
Interest and Investment Income (PR-Chgs for Services)		
Interest and Investment Income (GR)		
Net Increase (Decrease) Fair Market Value (PR-OP Grants/Contributions)		
Net Increase (Decrease) Fair Market Value (GR)		
Federal Revenue-Operating (PR-OP Grants/Contributions)	243,462.13	
Federal Pass-Through Revenue (PR-OP Grants/Contributions)	887,647.26	
State Grant Revenue (PR-OP Grants/Contributions)		
State Grant Pass-Through Revenue (PR-OP Grants/Contributions)	225,549.00	
Other Grants and Contracts (PR-OP Grants/Contributions)		
Land Income (PR-Chgs for Services)		
Contributions to Retirement Systems (PR-Chgs for Services)		
Other Operating Revenues (PR-Chgs for Services)		
Other Operating Revenues (GR)		
Total Operating Revenues	<u>12,024,072.10</u>	
OPERATING EXPENSES		
Instruction	11,793,392.67	
Research		
Hospitals and Clinics		
Public Service	800,136.57	
Academic Support	454,283.12	
Student Services	1,824,726.99	
Institutional Support	3,469,416.61	
Operation and Maintenance of Plant	3,065,469.99	
Scholarship and Fellowships	3,072,708.04	
Auxiliary Enterprise Expenditures	1,894,297.15	
Depreciation and Amortization	940,422.33	
Total Operating Expenses	<u>27,314,853.47</u>	
Operating Income (Loss)	<u>-15,290,781.37</u>	
NONOPERATING REVENUES (EXPENSES):		
Legislative Revenue (GR)	5	10,870,671.00
Additional Appropriations (GR)		1,696,625.26

Texas State University System
Lamar Institute of Technology
Statement of Revenues, Expenses, and Changes in Net Assets
For the Fiscal Year Ended August 31, 2009

	Total
Federal Revenue (PR-OP Grants/Contributions)	3,191,404.00
Gifts (PR-OP Grants/Contributions)	292,465.40
Investment Income (Expense) (PR-OP Grants/Contributions)	
Investment Income (Expense) (GR)	69,009.98
Loan Premium/Fees Securities Lending (PR-OP Grants/Contributions)	
Investing Activities Expenses	
Interest Expenses and Fiscal Charges	
Borrower Rebates and Agent Fees	
Gain (Loss) on Sale of Capital Assets (GR)	
Net Increase (Decrease) in Fair Value of Investments (PR-OP Grants/Contributions)	
Net Increase (Decrease) in Fair Value of Investments (GR)	
Settlement of Claims (PR-Chgs for Services)	900,000.00
Settlement of Claims (GR)	
Other Nonoperating Revenues (Expenses) (PR-Chgs for Services)	-156,135.71
Other Nonoperating Revenues (Expenses) (GR)	
	<hr/>
Total Nonoperating Revenues (Expenses)	16,864,039.93
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Income (Loss) before Other Revenues, Expenses, Gains/Losses and Transfers	1,573,258.56
OTHER REVENUES, EXPENSES, GAINS/LOSSES AND TRANSFERS	
Capital Contributions	
Capital Appropriations (HEAF)	1,825,332.00
Federal Grant - Capital Grant Contributions	
Contributions to Permanent and Term Endowments	
Special Items	
Extraordinary Items	
Increase NA Interagency Transfer Capital Assets	1,429,695.57
Decrease NA Interagency Transfer Capital Assets	
Transfer In	
Transfer Out	-278,508.38
Legislative Transfer In	
Legislative Transfer Out	-544,623.42
Lapses	-320.00
	<hr/>
Total Other Revenues, Expenses, Gains/Losses and Transfers	2,431,575.77
	<hr/>
CHANGE IN NET ASSETS	4,004,834.33
	<hr/>
Net Assets, September 1 2008	
Restatements	
	<hr/>
Net Assets, September 1, 2008, as Restated	17,326,158.39
	<hr/>
NET ASSETS, August 31, 2009	<u>21,330,992.72</u>

Texas State University System
Lamar Institute of Technology
Matrix of Operating Expenses Reported by Function
For the Fiscal Year Ended August 31, 2009

Operating Expenses	Instruction	Research	Hospitals and Clinics	Public Service	Academic Support	Student Services	Institutional Support	Operation and Maintenance of Plant	Scholarship and Fellowships	Auxiliary Enterprises	Depreciation and Amortization*	Total Expenses
Cost of Goods Sold												0.00
Salaries and Wages	7,029,353.47			216,554.12	195,907.10	523,337.79	1,541,239.43	347,027.04	81,829.57	71,718.35		10,006,966.88
Payroll Related Costs	1,690,870.14			36,936.21	32,457.58	83,894.56	340,796.55	80,546.86		19,527.97		2,285,031.87
Professional Fees and Services	62,375.49			193,366.66	2,128.78	13,619.67	60,434.59	28,278.60		6,354.58		366,480.27
Federal Grant Pass-Through Expense												0.00
State Grant Pass-Through Expense												0.00
Travel	56,115.88			5,832.26	8,038.41	41,205.10	44,023.50			24,914.26		180,129.43
Materials and Supplies	624,696.76			88,182.04	8,161.99	163,458.69	202,087.37	315,886.60		104,502.30		1,406,875.75
Communications and Utilities	602,345.03			2,144.36	1,193.29	26,768.20	683,117.20	343,747.59		912.85		1,659,248.54
Repairs and Maintenance	121,723.43			23,854.47			115,851.69	1,503,421.21				1,764,850.80
Rentals and Leases	2,176.00			2,342.00		252.74	105,211.35			4,659.00		114,643.09
Printing and Reproduction	9,932.61			4,044.65	1,271.19	14,080.66	59,695.79			6,656.25		95,881.15
Depreciation and Amortization*											940,422.33	940,422.33
Bad Debt Expense												0.00
Interest												0.00
Scholarships									2,990,878.47			2,990,878.47
Claims and Judgments												0.00
Other Operating Expenses	1,693,901.86			226,855.76	205,124.78	959,169.66	316,759.14	446,562.09		1,655,051.56		5,503,444.89
Total Operating Expenses	11,793,392.67	0.00	0.00	800,136.67	454,263.12	1,824,726.99	3,469,416.61	3,065,469.99	3,072,708.04	1,894,297.15	940,422.33	27,314,853.47

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

Texas State University System
Lamar Institute of Technology
Statement of Cash Flows
For the Fiscal Year Ended August 31, 2009

	<u>Total</u>
Cash Flows from Operating Activities	
Receipts from Customers	
Proceeds from Tuition and Fees	8,997,967.18
Proceeds from Research Grants and Contracts	
Proceeds from Gifts	
Proceeds from Loan Programs	
Proceeds from Auxiliaries	
Proceeds from Other Revenues	1,062,162.39
Payments to Suppliers for Goods and Services	-10,421,251.88
Payments to Employees for Salaries	-12,231,863.76
Payments to Employees for Benefits	
Payments for Loans Provided	
Payments for Other Expenses	<u>-2,990,878.47</u>
Net Cash Provided by Operating Activities	<u>-15,583,864.54</u>
Cash Flows from Noncapital Financing Activities	
Proceeds from Debt Issuance	
Proceeds from State Appropriations	14,357,139.90
Proceeds from Gifts	
Proceeds from Endowments	
Proceeds of Transfers from Other Funds	
Proceeds from Grant Receipts	292,465.40
Proceeds from Advances from Other Funds	
Proceeds from Loan Programs	
Proceeds from Other Financing Activities	900,000.00
Proceeds from Contributed Capital	
Payments of Principal on Debt Issuance	
Payments of Interest	
Payments of Other Costs of Debt Issuance	
Payments for Transfers to Other Funds	
Payments for Grant Disbursements	
Payments for Advances to Other Funds	
Payments for Other Uses	<u>-156,135.71</u>
Net Cash Provided by Noncapital Financing Activities	<u>15,393,469.59</u>
Cash Flows from Capital and Related Financing Activities	
Proceeds from the Sale of Capital Assets	
Proceeds from Debt Issuance	
Proceeds from State Grants and Contracts	
Proceeds from Federal Grants and Contracts	
Proceeds from Gifts	
Proceeds from Other Financing Activities	-60,625.00
Proceeds from Capital Contributions	1,429,695.57
Proceeds from Advances from Other Funds	
Payments for Additions to Capital Assets	-1,952,332.65
Payments of Principal on Debt	
Payments for Capital Lease	
Payments of Interest on Debt Issuance	
Payments of Other Costs of Debt Issuance	<u>-762,826.80</u>
Net Cash Provided by Capital and Related Financing Activities	<u>-1,346,068.69</u>
Cash Flows from Investing Activities	
Proceeds from Sales of Investments	
Proceeds from Interest Income	
Proceeds from Investment Income	69,009.98
Proceeds from Principal Payments on Loans	
Payments to Acquire Investments	

Texas State University System
Lamar Institute of Technology
Statement of Cash Flows
For the Fiscal Year Ended August 31, 2009

	<u>Total</u>
Net Cash Provided by Investing Activities	<u>69,009.98</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-1,467,473.86
Cash and Cash Equivalents, September 1, 2008	5,245,376.80
Changes in Accounting Principal	
Changes in Reporting Entity	
Restatements to Beginning Cash and Cash Equivalents	
Cash and Cash Equivalents, September 1, 2008 - Restated	<u>5,245,376.80</u>
Cash and Cash Equivalents, August 31, 2009	<u><u>3,777,902.94</u></u>
 Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income (Loss)	-15,290,781.37
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities	
Amortization and Depreciation	940,422.33
Bad Debt Expense	
Operating Income (Loss) and Cash Flow Categories: Classification Differences	
Changes in Assets and Liabilities:	
(Increase) Decrease in Receivables	-2,406,522.65
(Increase) Decrease in Due from Other Funds	
(Increase) Decrease in Inventories	
(Increase) Decrease in Prepaid Expenses	
(Increase) Decrease in Notes Receivable	
(Increase) Decrease in Loans & Contracts	-423,656.97
(Increase) Decrease in Other Assets	
(Increase) Decrease in State Appropriations	
Increase (Decrease) in Payables	652,764.48
Increase (Decrease) in Deposits	19,640.00
Increase (Decrease) in Due to Other Funds	
Increase (Decrease) in Deferred Income	846,597.09
Increase (Decrease) in Compensated Absence Liability	77,672.55
Increase (Decrease) in Benefits Payable	
Increase (Decrease) in Other Liabilities	
Total Adjustments	<u>-293,083.17</u>
Net Cash Provided by Operating Activities	<u><u>-15,583,884.54</u></u>
 Non Cash Transactions	
Donation of Capital Assets	
Net Change in Fair Value of Investments	
Borrowing Under Capital Lease Purchase	
Other	

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LAMAR INSTITUTE OF TECHNOLOGY
NOTES TO THE FINANCIAL STATEMENTS

August 31, 2009

NOTE 1: Summary of Significant Accounting Policies

Entity

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

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

Fund Structure

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

Proprietary Funds

Business Type Activity

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

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.

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Basis of Accounting

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

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

Budget and Budgetary Accounting

The budget is prepared biennially and represents appropriations authorized by the Legislature and approved by the Governor (the General Appropriations Act). Unencumbered appropriations are generally subject to lapse 60 days after the end of the fiscal year for which they were appropriated.

Assets, Liabilities, and Fund Balances/Net Assets

ASSETS

Cash and Cash Equivalents

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

Securities Lending Collateral

Investments are stated at fair value in all funds except pension trust funds in accordance with GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. For pension trust funds, investments are required to be reported at fair value using the accrual basis of accounting in accordance with GASB Statement 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*.

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

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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.

Inventories and Prepaid Items

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

Capital Assets

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

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

Other Receivables – Current and Noncurrent

The disaggregation of other receivables as reported in the financial statements is shown in Note 24, "Disaggregation of Receivables and Payables Balances."

Other receivables include year-end accruals not included in any other receivable category. This account can appear in governmental and proprietary fund types.

LIABILITIES

Accounts Payable

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

Other Payables – Current and Noncurrent

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

Employees’ Compensable Leave Balances

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

Capital Lease Obligations

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

Bonds Payable-General Obligation Bonds

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

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

Bonds Payable-Revenue Bonds

Revenue bonds are generally accounted for in the proprietary funds. The bonds payable are reported at par less unamortized discount or plus unamortized premium. Interest expense is reported on the accrual basis, with

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amortization of discount or premium. Payables are reported separately as either current or noncurrent in the statement of net assets.

FUND BALANCE/NET ASSETS

The difference between fund assets and liabilities is “Net Assets” on the government-wide, proprietary and fiduciary fund statements, and the “Fund Balance” is the difference between fund assets and liabilities on the governmental fund statements.

Reservation of Fund Balance

Fund Balances for governmental funds are classified as either reserved or unreserved in the fund financial statements. Reservations are legally restricted to a specific future use or not available for expenditures.

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.

Unaudited

INTERFUND ACTIVITY AND TRANSACTIONS

Lamar Institute of Technology has the following types of transactions between funds:

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

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

(3) **Interfund receivables and payables:** Interfund loans are reported as interfund receivables and payables. If repayment is due during the current year or soon thereafter it is classified as “Current.” Balances for repayment due in two (or more) years are classified as “noncurrent.”

(4) **Interfund Sales and Purchases:** Charges or collections for services rendered by one fund to another that are recorded as revenues of the recipient fund and expenditures or expenses of the disbursing fund. The composition of Lamar Institute of Technology’s Interfund activities and balances are presented in Note 12.

Unaudited

NOTE 2: Capital Assets

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

A summary of changes in Capital Assets for the year ended August 31, 2009 is presented below:

	PRIMARY GOVERNMENT						Balance 08/31/09
	Balance 09/01/08	Adjustments	Completed CIP	Transfers Inc/(Decrease)	Additions	Deletions	
BUSINESS-TYPE ACTIVITIES							
Non-Depreciable Assets							
Land and Land Improvements	581,290.22			637,413.55			1,198,703.77
Library books/Leaseholds	-						-
Construction in Progress							-
Other Assets							-
Total Non-Depreciable Assets	581,290.22	-	-	637,413.55	-	-	1,198,703.77
Depreciable Assets							
Buildings and Building Improvements Infrastructure	10,551,097.68			5,676,260.00			16,227,357.69
Facilities & Other Improvements				608,615.72			608,615.72
Furniture and Equipment	4,147,108.25	(25,000.00)			496,902.18	(133,468.15)	4,485,542.28
Vehicle, Boats & Aircraft	739,050.62	25,000.00			43,667.00	(86,014.30)	721,703.32
Other Capital Assets	10,000.00						10,000.00
Total Depreciable Assets	15,447,256.56	-	-	6,284,875.72	540,569.18	(219,482.45)	22,053,219.01
Less Accumulated Depreciation							
Buildings and Improvements Infrastructure	(1,976,044.78)			(5,031,799.98)	(509,787.57)		(7,517,612.31)
Facilities & Other Improvements				(460,793.74)	(1,266.58)		(462,060.32)
Furniture and Equipment	(3,025,397.20)				(366,755.98)	115,744.39	(3,276,408.79)
Vehicles, Boats & Aircraft	(568,575.15)				(81,715.17)	85,805.97	(544,484.35)
Other Capital Assets	(9,082.97)				(917.03)		(10,000.00)
Total Accumulated Depreciation	(5,579,100.10)	-	-	(5,482,593.70)	(940,422.33)	201,550.36	(11,810,565.77)
Depreciable Assets, Net	9,868,156.46	-	-	792,282.02	(398,853.15)	(17,932.09)	10,242,653.24
Business Type-Activities	10,429,446.68	-	-	1,429,895.57	(398,853.15)	(17,932.09)	11,441,357.01

Unaudited

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.

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.

Unaudited

As of 08/31/09, the carrying amount of deposits was \$985,117.54 as presented below.

Carrying Amount	
Governmental Funds Current Demand Deposits	\$ 985,117.54
Proprietary Funds Current Demand Deposits	
Proprietary Funds Current Restricted Money Market Accounts	
Fiduciary Funds Current Demand Deposits	
Total Cash in Bank per GL Account	\$ 985,117.54
Proprietary Funds CDs disclosed as Deposits but reported as Non-Current	
Investments on Financial Statement	
Governmental Funds Uninvested Cash Collateral disclosed as deposits but reported as Securities Lending Collateral on Financial Statement	
Total Deposits Carrying Amounts	\$985,117.54

<u>Bank Balance</u>	<u>Category 1</u>	<u>Carrying Amount</u>
<u>\$1,141,399.92</u>	<u>\$ 1,141,399.92</u>	<u>\$985,117.54</u>

Cash and Cash Equivalents consist of:
 Bank Deposits \$985,117.54

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.

Investments

The fair value of investments as of 08/31/09 (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.

Unaudited

As of August 31, 2009, 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 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, 2009, 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				

Unaudited

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	\$ 1,926,809.93
Other (i.e. mutual funds, mortgages and real estate)	
Total Investments	\$1,926,809.93
Consisting of the following:	
Proprietary Funds Current Cash Equivalents	1,926,809.93
Proprietary Funds Current Restricted Cash Equivalent	
Proprietary Funds Non-Current Restricted Cash Equivalent	
Proprietary Funds Non-Current Restricted Investments	
Total, as above	\$1,926,809.93
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	\$1,926,809.93

Unaudited

NOTE 4: Short Term Debt

Lamar Institute of Teehnology has no short term debt as of August 31, 2009.

NOTE 5: Long Term Liabilities

Changes in Long-term Liabilities

During the year ended August 31, 2009 the following changes occurred in long-term liabilities.

Business Type Activities	Balance 09/01/08	Additions	Reductions	Balance 08/31/09	Due Within One Year
Employees' Compensable Leave	217,110.65	79,476.95	1,804.40	294,783.20	44,217.48

Compensable Leave

A state employee is entitled to be paid for any unused vaeation time accrued in the event of the employee's resignation, dismissal, or separation from State employment, provided the employee has had continuous employment with the state for at least six months. Both an expense and a liability for business-type activities are recorded in the accounts as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

Bonds Payable

See Note 6 for a discussion of Bonds Payable.

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.

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

Description	Year	Principal	Interest	Total
All Series	2010	\$ 511,838.40	\$ 251,352.96	\$ 763,191.36
	2011	327,150.18	222,836.44	549,986.62
	2012	340,178.18	209,762.88	549,941.06
	2013-2017	1,989,921.98	768,080.38	2,758,002.36
	2018-2022	1,850,014.63	261,781.80	2,111,796.43
TOTALS		<u>\$ 5,019,103.37</u>	<u>\$ 1,713,814.46</u>	<u>\$ 6,732,917.83</u>

A portion of the debt represents Tuition Revenue Bonds historically funded by the Texas Legislature through General Revenue Appropriations. The institution was appropriated \$545,066 during the current fiscal year for Tuition Revenue Bond debt service. The institution expects future Legislative appropriations to meet debt service requirements for Tuition Revenue Bonds.

NOTE 7: Capital Leases

Lamar Institute of Technology has no capital lease obligations as of August 31, 2009.

NOTE 8: Operating Lease Obligations

Lamar Institute of Technology has no operating lease obligations as of August 31, 2009.

NOTE 9: Employees Retirement Plans

The State of Texas has joint contributory retirement plans for substantially all its employees. One plan in which Lamar Institute of Technology participates is administered by the Teachers Retirement System of Texas. Future pension costs are the liabilities of the Retirement System. The System does not account for each State agency separately.

The State has also established an optional retirement program for institutions of higher education. Participation in the optional retirement program is in lieu of participation in the Teacher Retirement System. The optional retirement program provides for the purchase of annuity contracts. Since these are individual annuity contracts, the State has no additional or unfunded liability for this program.

Unaudited

NOTE 10: Deferred Compensation

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

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

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

NOTE 12: Interfund Activity and Transactions

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

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

Lamar 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, 2009 follows:

	Due From	Due To	Source
Agency 734, D23, Fund 7999		9,312.50	Local Funds
Total Due From/To Other Agencies (Exh A)		9,312.50	

	Legislative TRANSFERS IN	Legislative TRANSFERS OUT
General Revenue (01) TRB		544,623.42
Total Legislative Transfers		544,623.42

Unaudited

	TRANSFERS IN	TRANSFERS OUT	SOURCE
Agency 758 , D23, Fund 7999		30,292.50	Designated Funds
Agency 781, D23, Fund 7999		1,221.00	Designated Funds
Agency 758 , D23, Fund 7999		187,910.88	Designated Funds
Agency 758, D23, Fund 7999		59,084.00	Designated Funds
Total Transfers		278,508.38	

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 has no adjustments to the Beginning Fund Balances.

NOTE 15: Contingent Liabilities

At August 31, 2009 various lawsuits and claims involving Lamar Institute of Technology were pending. While the ultimate liability with respect to litigation and other claims asserted against the Institute or the Board of Regents cannot be reasonably estimated at this time, such liability, to the extent not provided for by insurance or otherwise, is not likely to have a material effect on the Institute.

NOTE 16: Subsequent Events

Lamar Institute of Technology does not have any subsequent events for fiscal year August 31, 2009.

NOTE 17: Risk Management

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

Unaudited

The Institute assumes substantially all risks associated with tort and liability claims due to the performance of its duties. Currently there is no purchase of commercial insurance, nor is the Institute involved in any risk pool with other government entities for these risks. Lamar Institute of Technology incurred no losses during the fiscal year ended August 31, 2009 and no claims were pending at that date.

The Institute is required by certain bond covenants and FEMA to carry Fire and Extended Coverage and Boiler insurance on buildings financed through the issuance of bonds using pledged Auxiliary Enterprise or other non-Educational and General Funds. The insurance protects the bond holders from a disruption to the revenue stream that is being utilized to make the bond interest and principal payments and the federal government for storm damage. Insurance claims made during the fiscal year ended August 31, 2009 were related to Hurricane Ike.

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

NOTE 18: Management Discussion and Analysis

Management Discussion and Analysis is a required part of the basic financial statements. Management Discussion and Analysis is omitted because Lamar 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

The Lamar Institute of Technology Foundation is a nonprofit organization with the sole purpose of supporting educational activities of Lamar Institute of Technology. The Foundation solicits donations and acts as coordinator of gifts made by other parties. The Foundation remitted restricted gifts of \$35,785.00 to the Institute during the year ended August 31, 2009.

NOTE 20: Stewardship, Compliance and Accountability – Not Applicable

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

Unaudited

NOTE 22: Donor-Restricted Endowments

Lamar Institute of Technology has no donor restricted endowments as of August 31, 2009.

NOTE 23: Special or Extraordinary Items – Not Applicable

NOTE 24: Disaggregation of Receivable and Payable Balances – Not Applicable

NOTE 25: Termination Benefits

Lamar Institute of Technology has no termination benefits to report as of August 31, 2009.

NOTE 26: Segment Information

Lamar Institute of Technology has no segments to report as of August 31, 2009.

Unaudited

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LAMAR INSTITUTE OF TECHNOLOGY
 SCHEDULE 1A - Schedule of Expenditures of Federal Awards
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
 For the Year Ended August 31, 2009

Federal Grantor/Pass Through Grantor/ Program Title	CFDA Number	PASS-THROUGH FROM			Total	PASS-THROUGH TO			Pass Thru To & Expenditures	
		Agry/ Univ #	Agency or Univ. Amount	Non-State Entity Amount		Direct Program Amount	Pass-Through & Direct Program	Agry/ Univ #		Agency or Univ Amount
U.S. Department of Education										
Direct Programs:										
Federal Supplemental Education Opportunity Grants	84 007		\$ -	\$ -	\$ 130,810.00	\$ 130,810.00	\$ -	\$ -	\$ 130,810.00	\$ 130,810.00
Federal Family Education Loan (FFELP)	84 032				912,096.00	912,096.00			812,096.00	912,096.00
Federal Work-Study Program	84 033				74,072.13	74,072.13			74,072.13	74,072.13
Federal Academic Competitiveness Grant Program	84 376				38,590.00	38,590.00			38,590.00	38,590.00
Federal Direct Student Loans	84 268				404,819.00	404,819.00			404,819.00	404,819.00
Federal Pell Grant Program	84 063				3,191,404.00	3,191,404.00			3,191,404.00	3,191,404.00
Pass-Through From:										
Texas Higher Education Coordinating Board										
Vocational Education Base Grants to States	84 048	781	406,923.00		406,923.00				406,923.00	406,923.00
Pass-Through From:										
Lamar State College - Orange										
Vocational Educational - Tech Prep	84 243	787	7,578.32		7,578.32				7,578.32	7,578.32
Public Assistance Cluster										
U.S. Department of Homeland Security										
Pass-Through From:										
Texas Department of Public Safety										
Crestler Grants-Public Assistance (Presidentially Declared)	97 036	405	473,245.94		473,245.94				473,245.94	473,245.94
Other Non-State Entities										
OO										
Total U.S. Department of Education										
			\$ 887,647.26	\$ -	\$ 4,751,781.13	\$ 5,639,428.39	\$ -	\$ -	\$ 5,639,428.39	\$ 5,639,428.39
TOTAL FEDERAL FINANCIAL ASSISTANCE										
			\$ 887,647.26	\$ -	\$ 4,751,781.13	\$ 5,639,428.39	\$ -	\$ -	\$ 5,639,428.39	\$ 5,639,428.39
Federal Assistance Schedule - Reconciliation										
Note 1: Not Applicable										
Note 2: Reconciliation.										
Federal Revenue (SRECA)										
			\$ 3,434,866.13							
			887,547.26							
Total Federal Revenue and Federal Pass-Through Revenue										
			\$ 4,322,513.39							
Reconciliation Items										
Federal Family Education Loan Program (FFELP)										
			\$ 612,086.00							
			404,619.00							
Total Pass-Through & Expenditures Per Federal Schedule										
			\$ 5,639,428.39							

LAMAR - INSTITUTE OF TECHNOLOGY**SCHEDULE 1B****SCHEDULE OF STATE GRANT PASS THROUGH FROM/TO STATE AGENCIES**

For the Year Ended August 31, 2009

Pass Through From:

Texas Higher Education Coordinating Board (Agy. 781)		
TEXAS Grant Program (13099)	\$	142,560.00
TEXAS Grant II Program (13399)		31,680.00
College Workstudy Program (22339)		13,390.00
Community College Enrollment Growth(13062)		37,919.00
Total Pass Through From Other Agencies (Exh.II)	\$	<u>225,549.00</u>

Pass Through To:

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

**LAMAR INSTITUTE OF TECHNOLOGY
SCHEDULE 2A
MISCELLANEOUS BOND INFORMATION
For the Year Ended August 31, 2009**

SCHEDULE NOT USED

**LAMAR INSTITUTE OF TECHNOLOGY
SCHEDULE 2C
DEBT SERVICE REQUIREMENTS
For the Year Ended August 31, 2009**

SCHEDULE NOT USED

**LAMAR INSTITUTE OF TECHNOLOGY
SCHEDULE 2D
ANALYSIS OF FUNDS AVAILABLE FOR DEBT SERVICE
For the Year Ended August 31, 2009**

SCHEDULE NOT USED

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LAMAR INSTITUTE OF TECHNOLOGY
SCHEDULE 2E
SCHEDULE OF DEFEASED BONDS OUTSTANDING
For the Year Ended August 31, 2009

<u>Description of Issues</u>	<u>Year Refunded</u>	<u>Par Value Outstanding</u>
Combined Fee/Revenue System Bonds, Series 1997	1998	\$ 133,597.00
Total Defeased Revenue Bonds		<u>\$ 133,597.00</u>

Unaudited

Lamar Institute of Technology
Schedule 3 - Reconciliation of Cash in State Treasury
For the Fiscal Year Ended August 31, 2009

Cash in State Treasury	<u>Unrestricted</u>	<u>Restricted</u>	<u>Current Year Total</u>
Available College Fund 0287	\$ 863,975.51	\$	863,975.51
Local Revenue Fund			
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 (Stmnt of Net Assets)	\$ <u>863,975.51</u>	\$ <u>0.00</u>	\$ <u>863,975.51</u>

Unaudited

**Lamar Institute of Technology
Schedule 4 - Higher Education Assistance Fund
For the Fiscal Year Ended August 31, 2009**

	<u>Totals</u>
Balance September 1, 2007	\$ 4,305,900.94
REVENUES	<u>\$</u>
HEAF Appropriations	1,825,332.00
Other Revenues	<u> </u>
Total Revenues	<u>\$ 1,825,332.00</u>
EXPENSES	<u>\$</u>
Instruction	898,232.81
Research	<u> </u>
Academic Support	<u> </u>
Student Services	<u> </u>
Institutional Support	<u> </u>
Library	371,722.00
Public Service	<u> </u>
Operation & Maint of Physical Plant	0.00
Total Expenditures	<u>\$ 1,269,954.81</u>
OTHER REVENUES(EXPENSES), GAINS/ (LOSSES) AND TRANSFERS	<u>\$</u>
Special Items	<u> </u>
Extraordinary Items	<u> </u>
Transfers In Transfers out	<u> </u>
Legislative Transfers In	<u> </u>
Legislative Transfers Out	<u> </u>
Legislative Appropriations Lapsed	<u> </u>
Total Other Revenues(Expenses), Gains/(Losses) and Transfers	<u> </u>
BALANCE AT AUGUST 31, 2009	<u>\$ 4,861,278.13</u>