

LAMAR STATE COLLEGE ORANGE



Annual Financial Report

Fiscal Year 2021

(September 1, 2020 - August 31, 2021)

*A Member of the Texas State University System
An Equal Opportunity Institution*



November 20, 2021

Office of the President

The Honorable Greg Abbott
Governor of Texas

The Honorable Glenn Hegar
Texas Comptroller of Public Accounts

Mr. Jerry McGinty
Director, Legislative Budget Board

Ms. Lisa Collier
State Auditor

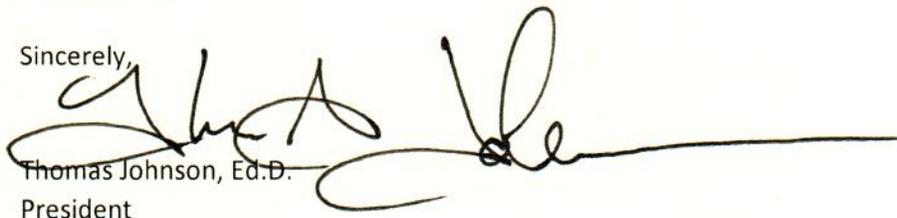
To Agency Heads Addressed:

We are pleased to submit the Annual Financial Report (AFR) of Lamar State College Orange for the fiscal year ended August 31, 2021, in compliance with Texas Government Code Annotated, §2101.011, and in accordance with the requirements established by the Comptroller of Public Accounts.

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

If you have any questions, please contact Mary Wickland, Vice President for Finance and Operations at 409-882-3372.

Sincerely,



Thomas Johnson, Ed.D.
President



November 20, 2021

Dr. Thomas Johnson
President
Lamar State College-Orange
Orange, Texas 77630

Dear Dr. Johnson:

Submitted herein is the Annual Financial Report of Lamar State College – Orange for the fiscal year ended August 31, 2021.

The financial statements in this report have been prepared in conformity with the General Provisions of the Appropriations Act, Article IX, and in accordance with the requirements established by the comptroller of Public Accounts.

The accompanying Annual Financial Report will be considered for audit by the State Auditor as part of the audit of the State's Comprehensive 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 Jamie Oltz at (409) 882-3356 or Mary Wickland at (409) 882-3372.

Respectfully Submitted,

Jamie Oltz
Controller

Approved:

Mary Wickland
Vice President for Finance and Operations

LAMAR STATE COLLEGE-ORANGE

410 Front Street ♦ Orange, Texas ♦ Phone: 409/883-7750 ♦ Fax: 409/882-3374

A Member of the Texas State University System ♦ An Equal Opportunity Employer

UNAUDITED

LAMAR STATE COLLEGE ORANGE

TABLE OF CONTENTS

| | Page |
|--|------|
| Organizational Data | 1 |
| Proprietary Fund Financial Statements: | |
| Statement of Net Position | 2 |
| Statement of Revenues, Expenses, and Changes in Net Position | 4 |
| Matrix of Operating Expenses Reported by Function | 6 |
| Statement of Cash Flows | 7 |
| Notes to the Financial Statements | 9 |
| Supplemental Supporting Information | |
| Schedules: | |
| 1A Schedule of Expenditures of Federal Awards | 31 |
| 1B Schedule of State Pass-Throughs To/From State Agencies | 33 |
| 2A Miscellaneous Bond Information | 34 |
| 2B Changes of Bonded Indebtedness | 35 |
| 2C Debt Service Requirements | 36 |
| 2D Analysis of Funds Available for Debt Service | 37 |
| 2E Defeased Bonds Outstanding | 38 |
| 3 Reconciliation of Cash in State Treasury | 39 |
| 4 Higher Education Fund | 40 |

TEXAS STATE UNIVERSITY SYSTEM
Lamar State College Orange
Organizational Data as of August 31, 2021

BOARD OF REGENTS

OFFICERS

Charlie Amato.....Chair

Duke Austin.....Vice Chair

MEMBERS

| | <u>City (Texas)</u> | <u>Term Expires</u> |
|---------------------------|----------------------------|----------------------------|
| William F. Scott | Nederland | 2025 |
| Charlie Amato | San Antonio | 2025 |
| Duke Austin | Houston | 2023 |
| Gary Crain | The Hills | 2023 |
| Sheila Faske | Rose City | 2027 |
| Stephen Lee | Beaumont | 2027 |
| Don Flores | El Paso | 2025 |
| Nicki Harle | Baird | 2023 |
| Alan L. Tinsley | Madisonville | 2027 |
| Camile Settegast, Student | Horseshoe Bay | 2022 |

ADMINISTRATIVE OFFICERS

SYSTEM OFFICE

Brian McCall.....Chancellor

Nelly Herrera.....Vice Chancellor and General Counsel

Daniel Harper.....Vice Chancellor for Finance

John Hayek Vice Chancellor for Academic Affairs

LAMAR STATE COLLEGE ORANGE

Thomas A. Johnson.....President

Mary Wickland.....Vice President for Finance and Operations

Wendy Elmore.....Executive Vice President

Texas State University System
Lamar State College Orange
Statement of Net Position
August 31, 2021

| | As of August 31, 2021 | As of August 31, 2020 |
|-------------------------------------|--------------------------|--------------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and Cash Equivalents: (Note 3) | | |
| Cash on Hand (Including Petty Cash) | \$ 1,500.00 | \$ 1,500.00 |
| Cash in Bank | 804,419.26 | 920,213.07 |
| Cash in State Treasury (Schedule 3) | 2,594,166.33 | 1,921,671.24 |
| Cash Equivalents | 13,788,647.22 | 22,828,530.41 |
| Restricted: | | |
| Cash and Cash Equivalents: (Note 3) | | |
| Cash in State Treasury | 217,281.29 | |
| Cash Equivalents | | 844,886.54 |
| Legislative Appropriations | 5,503,234.49 | 4,289,717.16 |
| Receivables: | | |
| Federal | 454,078.59 | 714,545.26 |
| Interest | 409.18 | 882.14 |
| Accounts - Tuition | 530,822.68 | 984,387.41 |
| Allowance Accounts | (107,467.00) | (104,748.00) |
| Due From Other Agencies (Note 12) | 123,355.05 | 94,907.33 |
| Prepaid Items | 1,475,908.56 | 539,981.21 |
| Loans and Contracts | 370,843.20 | 415,473.28 |
| Allowance - Loans & Contracts | (211,534.65) | (182,893.65) |
| Total Current Assets | 25,545,664.20 | 33,269,053.40 |
| Noncurrent Assets: | | |
| Restricted: | | |
| Cash and Cash Equivalents: (Note 3) | | |
| Cash Equivalents | 2,836,245.82 | 4,374,667.55 |
| Investments (Note 3) | 10,256,614.89 | |
| Capital Assets: (Note 2) | | |
| Non-Depreciable: | | |
| Land and Land Improvements | 2,144,436.56 | 1,947,674.79 |
| Depreciable or Amortizable: | | |
| Buildings and Building Improvements | 48,207,299.96 | 46,373,446.23 |
| Less Accumulated Depreciation | (20,863,070.54) | (19,242,141.07) |
| Facilities and Other Improvements | 938,654.00 | 938,654.00 |
| Less Accumulated Depreciation | (938,654.00) | (914,639.31) |
| Furniture and Equipment | 4,469,536.95 | 4,386,499.78 |
| Less Accumulated Depreciation | (3,075,113.57) | (2,749,768.86) |
| Vehicles, Boats, and Aircraft | 113,342.07 | 113,342.07 |
| Less Accumulated Depreciation | (59,185.06) | (46,981.30) |
| Other Capital Assets | 3,596,976.47 | 3,564,562.09 |
| Less Accumulated Depreciation | (3,251,932.88) | (3,184,387.05) |
| Computer Software - Intangible | 3,424,825.38 | 3,424,825.38 |
| Less Accumulated Amortization | (3,059,919.43) | (2,964,726.67) |
| Total Non-Current Assets | 44,740,056.62 | 36,021,027.63 |
| Total Assets | 70,285,720.82 | 69,290,081.03 |

UNAUDITED

Texas State University System
Lamar State College Orange
Statement of Net Position
August 31, 2021

| | As of August 31, 2021 | As of August 31, 2020 |
|--------------------------------------|--------------------------|--------------------------|
| LIABILITIES | | |
| Current Liabilities: | | |
| Payables From: | | |
| Accounts Payable | 674,596.37 | 528,550.62 |
| Payroll Payable | 877,735.09 | 869,417.27 |
| Unearned Revenues | 2,703,290.60 | 2,783,559.00 |
| Due to Other Agencies (Note 12) | 218,269.87 | 2,647.76 |
| Employees' Compensable Leave (Note5) | 15,441.72 | 216,174.56 |
| Funds Held for Others | 47,755.63 | 48,663.70 |
| Other Current Liabilities | 2,968.90 | 1,425.15 |
| Total Current Liabilities | 4,540,058.18 | 4,450,438.06 |
| Noncurrent Liabilities: | | |
| Employees Compensable Leave (Note 5) | 346,903.86 | 194,409.82 |
| Other Non-Current Liabilities | 1,374,592.43 | 1,360,698.71 |
| Total Noncurrent Liabilities | 1,721,496.29 | 1,555,108.53 |
| Total Liabilities | 6,261,554.47 | 6,005,546.59 |
| NET POSITION | | |
| Net Investment in Capital Assets | 31,647,195.91 | 31,646,360.08 |
| Restricted for | | |
| Capital Projects | 724,085.84 | 2,927,078.00 |
| Other | 1,085,128.24 | 1,117,787.62 |
| Funds Held as Permanent Investments | | |
| Non-Expendable: | | |
| Endowment Funds | 5,524.00 | 5,524.00 |
| Unrestricted | 30,562,232.36 | 27,587,784.74 |
| Total Net Position | \$ 64,024,166.35 | \$ 63,284,534.44 |

See accompanying Notes to the Financial Statements

Texas State University System
Lamar State College Orange
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended August 31, 2021

| | As of August 31, 2021 | As of August 31, 2020 |
|---|----------------------------------|----------------------------------|
| OPERATING REVENUES | | |
| Tuition and Fees - Pledged | \$ 6,592,812.74 | \$ 6,843,442.77 |
| Tuition and Fees - Discounts/Allowances | (2,542,638.94) | (2,752,577.50) |
| Other Sales of Goods and Services - Pledged | 116,756.60 | 118,221.88 |
| Federal Revenue-Operating | 1,028,898.63 | 2,061,671.18 |
| Federal Pass Through Revenue | 420,007.13 | 409,742.40 |
| State Grant Pass Through Revenue | 1,018,440.42 | 814,236.48 |
| Other Operating Revenues - Pledged | 399,142.32 | 369,503.61 |
| Total Operating Revenues | 7,033,418.90 | 7,864,240.82 |
| OPERATING EXPENSES | | |
| Instruction | 7,304,929.43 | 7,058,663.53 |
| Public Service | 618,993.10 | 928,434.78 |
| Academic Support | 2,381,028.21 | 2,461,169.89 |
| Student Services | 1,628,635.43 | 1,862,182.54 |
| Institutional Support | 3,477,264.71 | 3,384,805.67 |
| Operation and Maintenance of Plant | 1,781,132.47 | 1,789,665.69 |
| Scholarship and Fellowships | 3,171,135.97 | 3,216,757.94 |
| Depreciation and Amortization | 2,191,381.37 | 2,019,464.13 |
| Total Operating Expenses | 22,554,500.69 | 22,721,144.17 |
| Operating Income (Loss) | (15,521,081.79) | (14,856,903.35) |

UNAUDITED

Texas State University System
Lamar State College Orange
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended August 31, 2021

| | As of August 31, 2021 | As of August 31, 2020 |
|--|--------------------------|--------------------------|
| NONOPERATING REVENUES (EXPENSES): | | |
| Legislative Revenue (GR) | 10,443,155.00 | 10,449,161.00 |
| Additional Appropriations (GR) | 2,192,450.80 | 2,141,412.06 |
| Federal Revenue | 3,366,969.08 | 2,845,419.10 |
| Gifts - Non-Pledged | 454,040.92 | 645,769.80 |
| Gain (Loss) on Sale of Capital Assets | | (3,249.20) |
| Net Increase (Decrease) in Fair Value - Pledged | 157,658.29 | |
| Investment Income (Expense) - Non-Pledged | | 9,181.77 |
| Investment Income (Expense) - Pledged | 130,961.77 | 312,231.96 |
| Settlement of Claims | 44,256.25 | |
| Other Nonoperating Revenues (Expenses) | (617,230.86) | (558,139.91) |
| Total Nonoperating Revenues (Expenses) | 16,172,261.25 | 15,841,786.58 |
| Income (Loss) before Capital Contributions, Endowments, and Transfers | 651,179.46 | 984,883.23 |
| CAPITAL CONTRIBUTIONS, ENDOWMENTS, AND TRANSFERS | | |
| Capital Appropriations (HEF) | 1,488,396.00 | 1,694,343.00 |
| Transfers-In (Note 12) | 4,882.00 | 1,801,284.05 |
| Transfers-Out (Note 12) | (268,814.40) | (231,553.38) |
| Legislative Transfers-In (Note 12) | 7,430.00 | 13,795.00 |
| Legislative Transfers-Out (Note 12) | (1,143,837.00) | (1,206,815.00) |
| Legislative Appropriations Lapsed | | (258.34) |
| Total Other Revenues, Expenses, Gains/Losses and Transfers | 88,056.60 | 2,070,795.33 |
| CHANGE IN NET POSITION | 739,236.06 | 3,055,678.56 |
| Total Net Position, September 1 | 63,284,534.44 | 60,228,855.88 |
| Restatements | 395.85 | |
| Net Position, September 1, as Restated | 63,284,930.29 | 60,228,855.88 |
| TOTAL NET POSITION, August 31 | \$ 64,024,166.35 | \$ 63,284,534.44 |

See accompanying Notes to the Financial Statements

UNAUDITED

Texas State University System
Lamar State College Orange
Matrix of Operating Expenses Reported by Combined Funds Total
For the Fiscal Year Ended August 31, 2021

| Operating Expenses | Instruction | Research | Public Service | Academic Support | Student Services | Institutional Support | Operation and Maintenance of Plant | Scholarship and Fellowships | Auxiliary Enterprise Expenditures | Depreciation and Amortization | Total Expenditures |
|--------------------------------|--------------|----------|----------------|------------------|------------------|-----------------------|------------------------------------|-----------------------------|-----------------------------------|-------------------------------|--------------------|
| Cost of Goods Sold | - | - | - | - | - | - | - | - | - | - | - |
| Salaries and Wages | 4,510,806.53 | - | 270,451.27 | 1,039,389.51 | 966,473.12 | 1,655,318.81 | 368,864.36 | 25,840.60 | - | - | 8,837,144.20 |
| Payroll Related Costs | 1,424,473.13 | - | 98,181.55 | 387,825.73 | 367,998.58 | 574,160.62 | 153,743.91 | 1,715.08 | - | - | 3,008,098.60 |
| Professional Fees and Services | 353,361.64 | - | 101,308.00 | 406,792.94 | 48,327.39 | 160,997.38 | 605,060.52 | 39,477.99 | - | - | 1,715,325.86 |
| Travel | 22,136.66 | - | 3,639.10 | 5,440.00 | 10,747.49 | 27,825.40 | - | - | - | - | 69,788.65 |
| Materials and Supplies | 449,543.47 | - | 16,913.85 | 249,028.18 | 157,166.35 | 269,585.42 | 37,892.75 | 28,974.78 | - | - | 1,209,104.80 |
| Communication and Utilities | 12,000.00 | - | 46,847.07 | 97,920.86 | 17,678.39 | 53,719.39 | 416,898.50 | - | - | - | 645,064.21 |
| Repairs and Maintenance | 8,310.25 | - | 62,478.50 | 185,084.68 | 6,293.83 | 135,173.56 | 198,030.93 | - | - | - | 595,371.75 |
| Rentals and Leases | 525.00 | - | 3,322.82 | 1,667.74 | 4,874.20 | 18,249.99 | - | - | - | - | 28,639.75 |
| Printing and Reproduction | 15,487.07 | - | 1,117.65 | 1,416.26 | 12,536.55 | (29,466.56) | 145.00 | - | - | - | 1,235.97 |
| Depreciation and Amortization | - | - | - | - | - | - | - | - | - | 2,191,381.37 | 2,191,381.37 |
| Bad Debt Expense | 64,721.02 | - | 3,438.67 | 397.22 | 3,766.73 | - | - | - | - | - | 72,323.64 |
| Interest | - | - | - | - | - | - | - | - | - | - | - |
| Scholarships | 400,097.93 | - | - | - | 13,785.20 | - | (545.00) | 3,060,127.52 | - | - | 3,473,465.65 |
| Other Operating Expenses | 43,466.73 | - | 11,294.62 | 6,065.09 | 18,987.60 | 611,700.70 | 1,041.50 | 15,000.00 | - | - | 707,556.24 |
| Total Operating Expenses | 7,304,929.43 | - | 618,993.10 | 2,381,028.21 | 1,628,635.43 | 3,477,264.71 | 1,781,132.47 | 3,171,135.97 | - | 2,191,381.37 | 22,554,500.69 |

Texas State University System
Lamar State College Orange
Matrix of Operating Expenses Reported by Combined Funds Total
For the Fiscal Year Ended August 31, 2020

| Operating Expenses | Instruction | Research | Public Service | Academic Support | Student Services | Institutional Support | Operation and Maintenance of Plant | Scholarship and Fellowships | Auxiliary Enterprise Expenditures | Depreciation and Amortization | Total Expenditures |
|--------------------------------|--------------|----------|----------------|------------------|------------------|-----------------------|------------------------------------|-----------------------------|-----------------------------------|-------------------------------|--------------------|
| Cost of Goods Sold | - | - | - | - | - | - | - | - | - | - | - |
| Salaries and Wages | 4,519,149.63 | - | 264,649.28 | 982,619.92 | 1,040,002.08 | 1,817,324.15 | 388,669.75 | 60,596.76 | - | - | 9,073,011.57 |
| Payroll Related Costs | 1,457,557.32 | - | 99,730.14 | 378,454.58 | 401,199.99 | 571,223.27 | 166,664.16 | 588.92 | - | - | 3,075,418.38 |
| Professional Fees and Services | 366,833.23 | - | 386,199.04 | 402,921.19 | 30,295.00 | 112,311.19 | 129,146.40 | - | - | - | 1,427,706.05 |
| Travel | 20,510.64 | - | 3,335.75 | 7,808.84 | 13,628.85 | 54,144.49 | 300.00 | - | - | - | 99,728.57 |
| Materials and Supplies | 312,042.75 | - | 19,014.80 | 343,908.25 | 233,099.05 | 143,514.26 | 87,322.74 | 41,407.93 | - | - | 1,180,309.78 |
| Communication and Utilities | 950.00 | - | 41,557.81 | 105,986.44 | 17,178.26 | 55,174.00 | 397,151.82 | - | - | - | 617,998.33 |
| Repairs and Maintenance | 7,382.26 | - | 72,145.72 | 213,298.68 | 59,038.54 | 115,913.69 | 599,523.53 | - | - | - | 1,067,302.42 |
| Rentals and Leases | 320.00 | - | 27,939.70 | 1,859.52 | 5,928.14 | 19,930.21 | 956.24 | - | - | - | 56,933.81 |
| Printing and Reproduction | 17,352.36 | - | 1,178.00 | 2,230.24 | 14,583.91 | (39,241.38) | 804.80 | - | - | - | (3,092.07) |
| Depreciation and Amortization | - | - | - | - | - | - | - | - | - | 2,019,464.13 | 2,019,464.13 |
| Bad Debt Expense | 30,487.27 | - | - | 2,459.85 | 3,898.07 | - | - | - | - | - | 36,845.19 |
| Interest | - | - | - | - | - | - | - | - | - | - | - |
| Scholarships | 184,486.66 | - | - | - | 13,116.32 | 250.00 | 16,220.00 | 3,114,164.33 | - | - | 3,328,237.31 |
| Other Operating Expenses | 141,591.41 | - | 12,684.54 | 19,622.38 | 30,214.33 | 534,261.79 | 2,906.25 | - | - | - | 741,280.70 |
| Total Operating Expenses | 7,058,663.53 | - | 928,434.78 | 2,461,169.89 | 1,862,182.54 | 3,384,805.67 | 1,789,665.69 | 3,216,757.94 | - | 2,019,464.13 | 22,721,144.17 |

Texas State University System
Lamar State College Orange
Statement of Cash Flows
For the Year Ended August 31, 2021

| | As of August 31, 2021 | As of August 31, 2020 |
|---|----------------------------------|----------------------------------|
| Cash Flows from Operating Activities | | |
| Receipts from Customers | 116,756.60 | 118,221.88 |
| Proceeds from Tuition and Fees | 4,727,193.88 | 3,586,324.12 |
| Proceeds from Loan Programs | 73,271.08 | 313,498.81 |
| Proceeds from Other Operating Revenues | 2,786,693.06 | 3,606,104.04 |
| Payments to Suppliers for Goods and Services | (9,058,006.19) | (7,868,275.87) |
| Payments to Employees for Salaries | (8,837,144.20) | (9,073,011.57) |
| Payments to Employees for Benefits | (1,523,884.99) | (1,469,124.77) |
| | <u>(11,715,120.76)</u> | <u>(10,786,263.36)</u> |
| Cash Flows from Noncapital Financing Activities | | |
| Proceeds from Debt Issuance | | 1,772,280.00 |
| Proceeds from State Appropriations | 11,385,462.06 | 11,717,983.27 |
| Proceeds of Transfers from Other State Agencies | | 29,004.05 |
| Proceeds from Gifts | 454,040.92 | 645,769.80 |
| Proceeds from Grant Receipts | 3,366,969.08 | 2,845,419.10 |
| Proceeds from Other Noncapital Financing Activities | 44,256.25 | |
| Payments for Transfers to Other State Agencies | | (178,196.84) |
| Payments for Other Noncapital Financing Uses | (776,668.01) | (558,139.91) |
| | <u>14,474,060.30</u> | <u>16,274,119.47</u> |
| Cash Flows from Capital and Related Financing Activities | | |
| Proceeds from Other Capital and Related Financing Activities | 223,087.96 | 2,226.72 |
| Payments for Additions to Capital Assets | (2,192,217.20) | (1,744,157.02) |
| Payments of Principal on Debt | (947,159.00) | (733,858.26) |
| Payments of Interest on Debt Issuance | (523,865.36) | (528,540.00) |
| | <u>(3,440,153.60)</u> | <u>(3,004,328.56)</u> |
| Cash Flows from Investing Activities | | |
| Proceeds from Investment Income | 32,005.17 | 321,413.73 |
| Payments to Acquire Investments | (10,000,000.00) | |
| | <u>(9,967,994.83)</u> | <u>321,413.73</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (10,649,208.89) | 2,804,941.28 |
| Cash and Cash Equivalents, September 1 | <u>30,891,468.81</u> | <u>28,086,527.53</u> |
| Cash and Cash Equivalents, September 1 - Restated | <u>30,891,468.81</u> | <u>28,086,527.53</u> |
| Cash and Cash Equivalents, August 31 | <u>\$ 20,242,259.92</u> | <u>\$ 30,891,468.81</u> |

Reconciliation of Operating Income (Loss) to

UNAUDITED

Texas State University System
Lamar State College Orange
Statement of Cash Flows
For the Year Ended August 31, 2021

| | As of August 31, 2021 | As of August 31, 2020 |
|--|--------------------------|--------------------------|
| Net Cash Provided (Used) by Operating Activities | | |
| Operating Income (Loss) | \$ (15,521,081.79) | \$ (14,856,903.35) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | |
| Amortization and Depreciation | 2,191,381.37 | 2,019,464.13 |
| Bad Debt Expense | 72,323.64 | 36,845.19 |
| On-Behalf Benefit Payments | 1,532,452.41 | 1,508,067.91 |
| (Increase) Decrease in Receivables | 616,452.00 | (523,745.07) |
| (Increase) Decrease in Prepaid Expenses | (935,927.35) | 175,503.90 |
| (Increase) Decrease in Loans and Contracts | 73,271.08 | 313,498.81 |
| Increase (Decrease) in Payables | 388,387.93 | 348,375.83 |
| Increase (Decrease) in Deposits | (11,282.60) | (17,280.00) |
| Increase (Decrease) in Unearned Revenue | (80,268.40) | (49,410.90) |
| Increase (Decrease) in Compensated Absence Liability | (48,238.80) | 98,225.70 |
| Increase (Decrease) in Other Liabilities | 7,409.75 | 161,094.49 |
| Total Adjustments | 3,805,961.03 | 4,070,639.99 |
| Net Cash Provided by Operating Activities | \$ (11,715,120.76) | \$ (10,786,263.36) |
| Non Cash Transactions | | |
| Net Change in Fair Value of Investments | 157,658.29 | |

See accompanying Notes to the Financial Statements

UNAUDITED

LAMAR STATE COLLEGE ORANGE

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2021 and 2020

| |
|---|
| Note 1: Summary of Significant Accounting Policies |
|---|

Entity

Lamar State College Orange is a state funded two-year 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 State Institutions of Higher Education.

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 Governments*, 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 19.

Basis of Accounting

The basis of accounting determines when revenues and expenditures or expenses are recognized in the accounts reported in the financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Business activity type funds (proprietary funds) are accounted for using the full accrual

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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 operating budget is prepared annually and represents appropriations authorized by the legislature and approved by the Governor (the General Appropriations Act).

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

Assets, Liabilities, and Fund Balances/Net Position

ASSETS

Cash and Cash Equivalents

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

Securities Lending Collateral

Investments are 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 Statement of Net Position. The costs of securities lending transactions are reported as expenditures or expenses in the Operating Statement. These costs are reported at gross.

Restricted Assets

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

Inventories and Prepaid Items

Inventories include both merchandise inventories on hand for sale and consumable inventories. Inventories are valued at cost, generally utilizing the last-in, first-out method. The consumption method of accounting is used to account for inventories and

UNAUDITED

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.

Current Receivables - Other

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 Statement of Net Position 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.

Employees' Compensable Leave Balances

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

Capital Lease Obligations

Capital Lease Obligations represent the liability for future lease payments under capital lease contracts contingent upon the appropriation of funding by the Legislature.

UNAUDITED

Liabilities are reported separately as either current or noncurrent in the Statement of Net Position.

Bonds Payable - General Obligation Bonds and Revenue Bonds

General Obligation and Revenue bonds are generally accounted for in the proprietary funds by institutions of higher education. The bonds payable are reported at par less unamortized discount or plus unamortized premium. Interest expense is reported on the accrual basis, with amortization of discount or premium. Payables are reported separately as either current or noncurrent in the Statement of Net Position. Bond proceeds and principal payments are reported in the Statement of Cash Flows.

NET POSITION

The difference between fund assets and liabilities is “Net Position” 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.

UNAUDITED

Unrestricted Net Assets

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

INTERFUND TRANSACTIONS AND BALANCES

Lamar State College Orange has the following types of transactions among 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”, repayment for two (or more) years is classified as “Non-Current”.
- (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 State College Orange’s Interfund activities is presented in Note 12.

CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT (CARES ACT)

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law on March 27, 2020. The CARES Act authorized more than \$2 trillion in relief to individuals, businesses, and nonprofit and government organizations impacted by COVID-19. Lamar State College Orange received and expects to receive funding primarily under two federal programs, the Governor’s Emergency Education Relief Fund (GEERF) and the Higher Education Emergency Relief Fund (HEERF).

GEERF funding, awarded to the State of Texas Governor’s Office and passed through the Texas Higher Education Coordinating Board to Lamar State College Orange, provides direct financial assistance to support students’ efforts to continue or restart their progress toward earning a post-secondary credential or degree. GEERF awards totaling \$28,469 have been awarded to maintain need-based financial aid programs and keep more students

UNAUDITED

enrolled at colleges and universities. An additional \$29,462 in GEERF awards was awarded for emergency student support to allow students whose families have been severely financially impacted by COVID-19 to stay enrolled in higher education.

HEERF funding, awarded directly to Lamar State College Orange, provides support to prevent, prepare for, and respond to COVID-19. Lamar State College Orange has received HEERF I CARES, HEERF II CRRSAA, and HEERF III ARP with awards totaling \$3,104,889 for Student and \$4,102,734 for Institutional. The Student portions of the funds are used to provide emergency financial aid grants to students for expenses related to the disruption of campus operations due to COVID-19. The Institutional portions of the funds may be used to cover costs associated with significant changes to the delivery of instruction due to COVID-19, subject to certain restrictions outlined in the grant agreements.

A summary of CARES Act funding awarded, expensed as of August 31, 2021, and the balance of the unearned amounts are presented below:

| Program | Total Awarded | Expensed/Earned | Unearned |
|---|-----------------------|------------------------|-----------------------|
| GEERF – Student Financial Aid | \$28,469.00 | \$28,469.00 | \$0 |
| GEERF – Emergency Student Financial Aid | \$29,462.00 | \$29,462.00 | \$0 |
| HEERF I CARES – Student Allocation | \$521,660.00 | \$521,660.00 | \$0 |
| HEERF I CARES– Institutional Allocation | \$521,659.00 | \$521,659.00 | \$0 |
| HEERF II CRRSAA- Student Allocation | \$521,660.00 | \$521,660.00 | \$0 |
| HEERF II CRRSAA- Institutional Allocation | \$1,684,449.00 | \$367,746.65 | \$1,316,702.35 |
| HEERF III ARP- Student Allocation | \$2,061,569.00 | \$0 | \$2,061,569.00 |
| HEERF III ARP- Institutional Allocation | \$1,896,626.00 | \$0 | \$1,896,626.00 |
| MSI/SIP/PPOHA/PBS | \$0 | \$0 | \$0 |
| Total | \$7,265,554.00 | \$1,990,656.65 | \$5,274,897.35 |

UNAUDITED

Note 2: Capital Assets

A summary of changes in Capital Assets for the year ended August 31, 2021 is presented below:

| | | Balance | | | | | Balance |
|---|---|-------------------------|------------------|-------------|-------------------|----------------|-------------------------|
| | Capital Assets | 9/1/2020 | Adjustments | Reclass | Additions | Deletions | 8/31/2021 |
| Non-Depreciable or Non-Amortizable Assets: | | | | | | | |
| | Land & Land Improvements | \$ 1,947,674.79 | \$ 164,650.05 | \$ - | \$ 32,111.72 | \$ - | \$ 2,144,436.56 |
| | Total Non-Depreciable or Non-Amortizable Assets | \$ 1,947,674.79 | \$ 164,650.05 | \$ - | \$ 32,111.72 | \$ - | \$ 2,144,436.56 |
| Depreciable Assets: | | | | | | | |
| | Buildings and Building Improvements | \$ 46,373,446.23 | \$(164,650.05) | \$ - | \$ 1,998,503.78 | \$ - | \$ 48,207,299.96 |
| | Facilities and Other Improvements | 938,654.00 | - | - | - | - | 938,654.00 |
| | Furniture and Equipment | 4,386,499.78 | (7,694.00) | - | 128,791.47 | (38,060.30) | 4,469,536.95 |
| | Vehicles, Boats, and Aircraft | 113,342.07 | - | - | - | - | 113,342.07 |
| | Other Capital Assets | 3,564,562.09 | - | - | 32,414.38 | - | 3,596,976.47 |
| | Total Depreciable Assets, Net | \$ 55,376,504.17 | \$(172,344.05) | \$ - | \$ 2,159,709.63 | \$ (38,060.30) | \$ 57,325,809.45 |
| Less: Accumulated Depreciation for: | | | | | | | |
| | Buildings and Improvements | \$ (19,242,141.07) | \$ 592.49 | \$ - | \$ (1,621,521.96) | \$ - | \$ (20,863,070.54) |
| | Facilities and Other Improvements | (914,639.31) | - | - | (24,014.69) | - | (938,654.00) |
| | Furniture and Equipment | (2,749,768.86) | 7,497.36 | - | (370,902.37) | 38,060.30 | (3,075,113.57) |
| | Vehicles, Boats, and Aircraft | (46,981.30) | - | - | (12,203.76) | - | (59,185.06) |
| | Other Capital Assets | (3,184,387.05) | - | - | (67,545.83) | - | (3,251,932.88) |
| | Total Accumulated Depreciation | \$ (26,137,917.59) | \$ 8,089.85 | \$ - | \$ (2,096,188.61) | \$ 38,060.30 | \$ (28,187,956.05) |
| Amortizable Assets - Intangible: | | | | | | | |
| | Computer Software | \$ 3,424,825.38 | \$ - | \$ - | \$ - | \$ - | \$ 3,424,825.38 |
| | Total Amortizable Assets - Intangible | \$ 3,424,825.38 | \$ - | \$ - | \$ - | \$ - | \$ 3,424,825.38 |
| Accumulated Amortization | | | | | | | |
| | Computer Software | \$ (2,964,726.67) | \$ - | \$ - | \$ (95,192.76) | \$ - | \$ (3,059,919.43) |
| | Total Accumulated Amortization | \$ (2,964,726.67) | \$ - | \$ - | \$ (95,192.76) | \$ - | \$ (3,059,919.43) |
| | Total Business-Type Activities | \$ 31,646,360.08 | \$ 395.85 | \$ - | \$ 439.98 | \$ - | \$ 31,647,195.91 |

UNAUDITED

A summary of changes in Capital Assets for the year ended August 31, 2020 is presented below:

| | Balance | | | | | Balance |
|---|-------------------------|-------------|-------------|------------------------|----------------------|-------------------------|
| Capital Assets | 9/1/2019 | Adjustments | Reclass | Additions | Deletions | 8/31/2020 |
| Non-Depreciable or Non-Amortizable Assets: | | | | | | |
| Land & Land Improvements | \$ 1,802,367.86 | \$ - | \$ - | \$ 145,306.93 | \$ - | \$ 1,947,674.79 |
| Total Non-Depreciable or Non-Amortizable Assets | \$ 1,802,367.86 | \$ - | \$ - | \$ 145,306.93 | \$ - | \$ 1,947,674.79 |
| Depreciable Assets: | | | | | | |
| Buildings and Building Improvements | \$ 45,992,213.90 | \$ - | \$ - | \$ 381,232.33 | \$ - | \$ 46,373,446.23 |
| Facilities and Other Improvements | 938,654.00 | - | - | - | - | 938,654.00 |
| Furniture and Equipment | 4,280,809.08 | - | - | 698,762.94 | (593,072.24) | 4,386,499.78 |
| Vehicles, Boats, and Aircraft | 111,999.07 | - | - | 15,300.00 | (13,957.00) | 113,342.07 |
| Other Capital Assets | 3,536,971.44 | - | - | 27,590.65 | - | 3,564,562.09 |
| Total Depreciable Assets, Net | \$ 54,860,647.49 | \$ - | \$ - | \$ 1,122,885.92 | \$ (607,029.24) | \$ 55,376,504.17 |
| Less: Accumulated Depreciation for: | | | | | | |
| Buildings and Improvements | \$ (17,707,704.90) | \$ - | \$ - | \$ (1,534,436.17) | - | \$ (19,242,141.07) |
| Facilities and Other Improvements | (888,442.83) | - | - | (26,196.48) | - | (914,639.31) |
| Furniture and Equipment | (2,979,424.81) | - | - | (360,167.09) | 589,823.04 | (2,749,768.86) |
| Vehicles, Boats, and Aircraft | (49,754.54) | - | - | (11,183.76) | 13,957.00 | (46,981.30) |
| Other Capital Assets | (3,112,771.88) | - | - | (71,615.17) | - | (3,184,387.05) |
| Total Accumulated Depreciation | \$ (24,738,098.96) | \$ - | \$ - | \$ (2,003,598.67) | \$ 603,780.04 | \$ (26,137,917.59) |
| Amortizable Assets - Intangible: | | | | | | |
| Computer Software | \$ 2,948,861.21 | \$ - | \$ - | \$ 475,964.17 | - | \$ 3,424,825.38 |
| Total Amortizable Assets - Intangible | \$ 2,948,861.21 | \$ - | \$ - | \$ 475,964.17 | \$ - | \$ 3,424,825.38 |
| Accumulated Amortization | | | | | | |
| Computer Software | \$ (2,948,861.21) | \$ - | \$ - | \$ (15,865.46) | \$ - | \$ (2,964,726.67) |
| Total Accumulated Amortization | \$ (2,948,861.21) | \$ - | \$ - | \$ (15,865.46) | \$ - | \$ (2,964,726.67) |
| Total Business-Type Activities | \$ 31,924,916.39 | \$ - | \$ - | \$ (275,307.11) | \$ (3,249.20) | \$ 31,646,360.08 |

Note 3: Deposits, Investments and Repurchase Agreements

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

UNAUDITED

Deposits of Cash in Bank

As of August 31, 2021, the carrying amount of deposits was \$804,419.26 as presented below.

| Carrying Amount | |
|--|--------------|
| Governmental Funds Current Demand Deposits | |
| Proprietary Funds Current Demand Deposits | \$804,419.26 |
| Proprietary Funds Current Restricted Money Market Accounts | |
| Fiduciary Funds Current Demand Deposits | |
| Total Cash in Bank per GL Account | \$804,419.26 |
| Proprietary Funds Current Assets Cash in Bank | \$804,419.26 |
| Proprietary Funds Current Assets Restricted Cash in Bank | \$0 |
| Total Deposits Carrying Amounts | \$804,419.26 |

As of August 31, 2020, the carrying amount of deposits was \$920,213.07 as presented below.

| Carrying Amount | |
|--|--------------|
| Governmental Funds Current Demand Deposits | |
| Proprietary Funds Current Demand Deposits | \$920,213.07 |
| Proprietary Funds Current Restricted Money Market Accounts | |
| Fiduciary Funds Current Demand Deposits | |
| Total Cash in Bank per GL Account | \$920,213.07 |
| Proprietary Funds Current Assets Cash in Bank | \$920,213.07 |
| Proprietary Funds Current Assets Restricted Cash in Bank | \$0 |
| Total Deposits Carrying Amounts | \$920,213.07 |

These amounts consist of all cash in local banks and a portion of short-term investments. These amounts are included on the Combined Statement of Net Position as part of the “cash and cash equivalents” and “securities lending collateral” accounts.

As of August 31, 2021, the total bank balance was as follows:

| | | | | | |
|--------------------------|--------------|-----------------|-----|--------------------------|-----|
| Business-Type Activities | \$919,051.95 | Fiduciary Funds | -0- | Discrete Component Units | -0- |
|--------------------------|--------------|-----------------|-----|--------------------------|-----|

As of August 31, 2020, the total bank balance was as follows:

| | | | | | |
|--------------------------|--------------|-----------------|-----|--------------------------|-----|
| Business-Type Activities | \$974,931.22 | Fiduciary Funds | -0- | Discrete Component Units | -0- |
|--------------------------|--------------|-----------------|-----|--------------------------|-----|

Investments

Lamar State College Orange invests both operating and endowment funds. Endowment Funds are invested to provide funding for scholarships and other uses as specified by donors. Lamar State College Orange’s investments adhere to the following principles:

The performance objective is to grow the market value of assets net of inflation, spending, and expenses, over a full market cycle (generally defined as a three to five-year period) without undue exposure to risk.

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The invested funds are particularly risk-averse to the probability of not meeting the total return goal. Liquidity must be considered and sufficient to meet the spending needs and expenses.

The total return goal can be achieved while assuming acceptable risk levels commensurate with “market volatility”. To achieve the total return goal, the assets will be invested to generate appreciation and/or dividend and interest income.

Lamar State College Orange is authorized by statute to make endowment investments following the “prudent person rule” and operating investments following the Public Funds Investment Act. There were no significant violations of legal provisions during the period.

Lamar State College Orange values its investments at fair value. GASB Statement No. 72, Fair Value Measurement and Application, defines fair value as the price received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value is an exit price at the measurement date from the perspective of the market participant that holds the asset. This is a market-based measurement. GASB 72 also establishes a fair value hierarchy that classifies inputs to valuation techniques into three levels:

Level 1: inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that can be accessed at the measurement date.

Level 2: inputs are inputs (other than quoted prices included within Level 1) that are observable for an asset or liability, either directly (quoted market prices for similar assets or liabilities) or indirectly (corroborated from observable market information).

Level 3: inputs are unobservable inputs for an asset or liability.

Beyond these three levels, net asset value may be used to categorize investments without a readily determinable fair value.

As of August 31, 2021, the fair value of investments were categorized as follows:

| Fair Value | Fair Value Hierarchy | | | Total |
|--|-------------------------|-------------|-------------|-------------------------|
| | Level 1 | Level 2 | Level 3 | |
| Corporate Asset and Mortgage Backed Securities | \$ 716,017.62 | \$ - | \$ - | \$ 716,017.62 |
| Domestic Mutual Funds | 1,136,449.17 | - | - | 1,136,449.17 |
| Equity | 307,181.52 | - | - | 307,181.52 |
| Externally Managed Investments - Domestic | - | - | - | - |
| Externally Managed Investments - International | - | - | - | - |
| Fixed Income Money Market and Bond Mutual Fund | 6,425,504.81 | - | - | 6,425,504.81 |
| International Equity | 285,175.42 | - | - | 285,175.42 |
| International Mutual Funds | 769,645.81 | - | - | 769,645.81 |
| Other Commingled Funds | 616,640.55 | - | - | 616,640.55 |
| Long-Term Investments | \$ 10,256,614.90 | \$ - | \$ - | \$ 10,256,614.90 |
| Other Commingled Funds (TexPool) | | | | \$ 16,624,893.04 |
| Cash Equivalents | | | | \$ 16,624,893.04 |

UNAUDITED

As of August 31, 2020, the fair value of investments were categorized as a Level 1 input and are as presented as follows:

| Business – Type Activities | Carrying Value | Fair Value |
|----------------------------------|----------------|------------------------|
| Other Commingled Funds (Texpool) | | \$28,048,084.50 |
| Total | | \$28,048,084.50 |

| Business-Type Activities | | |
|--|--|------------------------|
| Texpool | | \$28,048,084.50 |
| Total Investments | | |
| Consisting of the following: | | |
| Proprietary Funds Current Cash Equivalents | | \$22,828,530.41 |
| Proprietary Funds Current Restricted Cash Equivalent | | 844,886.54 |
| Proprietary Funds Non-Current Restricted Cash Equivalent | | 4,374,667.55 |
| Total Investments per Financial Statements | | \$28,048,084.50 |

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As of August 31, 2021, Lamar State College Orange was subject to minimal credit risk.

| Credit Risk | AAA | AA | A | BBB | BB | B | Unrated | Total |
|---|------------------------|----------------------|----------------------|------------------------|----------------------|----------------------|------------------------|------------------------|
| Operating-Fixed Income | 1,503.64 | 5,728.14 | 25,633.43 | 194,040.78 | 174,421.89 | 188,742.24 | 125,947.50 | 716,017.62 |
| Corporate Asset and Mortgage Backed Securities | \$ 1,503.64 | \$ 5,728.14 | \$ 25,633.43 | \$ 194,040.78 | \$ 174,421.89 | \$ 188,742.24 | \$ 125,947.50 | \$ 716,017.62 |
| Operating - Equities | - | - | - | - | - | - | 206,488.67 | 206,488.67 |
| Operating - Real Estate | 289,481.86 | - | - | - | - | - | 640,478.64 | 929,960.50 |
| Domestic Mutual Funds | \$ 289,481.86 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 846,967.31 | \$ 1,136,449.17 |
| Operating - Equities | 34,446.24 | - | - | - | - | - | - | 34,446.24 |
| Operating-Fixed Income | 2,354,571.78 | 156,858.00 | 943,252.15 | 1,467,733.90 | 105,393.79 | 386,599.79 | 960,641.87 | 6,375,051.28 |
| Operating - Real Estate | 16,007.29 | - | - | - | - | - | - | 16,007.29 |
| Fixed Income Money Market and Bond Mutual Fund | \$ 2,405,025.31 | \$ 156,858.00 | \$ 943,252.15 | \$ 1,467,733.90 | \$ 105,393.79 | \$ 386,599.79 | \$ 960,641.87 | \$ 6,425,504.81 |
| Total | \$ 2,696,010.81 | \$ 162,586.14 | \$ 968,885.58 | \$ 1,661,774.68 | \$ 279,815.68 | \$ 575,342.03 | \$ 1,933,556.68 | \$ 8,277,971.60 |

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, 2021, Lamar State College Orange was not subject to concentration of credit risk.

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

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, Lamar State College Orange will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

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Foreign currency risk for investments is the risk that changes in exchange rates will adversely affect the investment.

Note 4: Short Term Debt

Lamar State College Orange has no short-term debt as of August 31, 2021 and 2020.

Note 5: Long Term Liabilities

Compensable Leave

A state employee is entitled to be paid for any unused vacation time accrued, in the event of the employee's resignation, dismissal, or separation from State employment, provided the employee has had continuous employment with the State for six months. An expense and 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.

During the year ended August 31, 2021 the following changes occurred in liabilities.

| Business-Type Activities | Balance 09/01/20 | Additions | Reductions | Balance 08/31/21 | Amount Due Within One Year |
|---------------------------------|-----------------------------|------------------|-------------------|-----------------------------|---|
| Compensable Leave | \$410,584.38 | \$15,441.72 | \$63,680.52 | \$362,345.58 | \$15,441.72 |

During the year ended August 31, 2020, the following changes occurred in liabilities.

| Business-Type Activities | Balance 09/01/19 | Additions | Reductions | Balance 08/31/20 | Amount Due Within One Year |
|---------------------------------|-----------------------------|------------------|-------------------|-----------------------------|---|
| Compensable Leave | \$312,358.68 | \$216,174.56 | \$117,948.86 | \$410,584.38 | \$216,174.56 |

Bonds Payable

See Note 6 for a discussion of Bonds Payable.

Claims and Judgements

As of August 31, 2021 and 2020 no lawsuits involving Lamar State College – Orange were pending.

Other Non-current Liabilities

See Note 15 for a discussion of the addition to other non-current liabilities.

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Note 6: Bonded Indebtedness

All bonded indebtedness for Lamar State College Orange is issued by System Administration through the Texas State University 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 is lawfully available to the Board for payments on Parity Debt.

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

**DEBT SERVICE REQUIREMENTS ATTRIBUTABLE
TO LAMAR STATE COLLEGE ORANGE**

| Description | Year | Principal | Interest | Total |
|-------------|-----------|---------------|--------------|---------------|
| All Series | 2022 | 980,000.00 | 480,423.90 | 1,460,423.90 |
| | 2023 | 905,000.00 | 432,530.26 | 1,337,530.26 |
| | 2024 | 950,000.00 | 388,463.06 | 1,338,463.06 |
| | 2025 | 990,000.00 | 348,929.80 | 1,338,929.80 |
| | 2026 | 1,025,000.00 | 307,127.00 | 1,332,127.00 |
| | 2027-2031 | 5,130,000.00 | 864,630.60 | 5,994,630.60 |
| | 2032-2036 | 985,000.00 | 43,125.20 | 1,028,125.20 |
| | Totals | 10,965,000.00 | 2,865,229.82 | 13,830,229.82 |

A portion of the debt represents Tuition Revenue Bonds historically funded by the Texas Legislature through General Revenue Appropriations. The Institution was appropriated \$912,337 and \$918,315 during the 2021 and 2020 fiscal years, respectively, for Tuition Revenue Bond debt service. The institution expects future Legislative appropriations to meet the debt service for Tuition Revenue Bonds.

Note 7: Derivative

Lamar State College Orange has no derivative instruments as of August 31, 2021 and 2020.

UNAUDITED

Note 8: Leases

Lamar State College Orange has entered into operating lease obligations for equipment as of August 31, 2021 and August 31, 2020. Rental expense was \$28,639.75 and \$56,933.81 (fund type – proprietary fund) for operating leases for the fiscal year ended August 31, 2021 and 2020, respectively. No capital leases exist for the fiscal years ending August 31, 2021 and 2020 respectively.

Future minimum lease payments under non-cancelable operating leases having an initial term in excess of one year as of August 31, 2021 and 2020 were as follows:

| Fiscal Year | | | FY21 | FY20 |
|--------------------|--|--|--------------|--------------|
| 2021 | | | | 27,212.76 |
| 2022 | | | 38,099.01 | 17,043.66 |
| 2023 | | | 3,543.66 | 1,653.96 |
| 2024 | | | 689.15 | 689.15 |
| 2025-2029 | | | | |
| | | | \$ 42,331.82 | \$ 46,599.53 |

Note 9: Defined Benefit Pension Plans and Defined Contribution Plans

Teacher Retirement System of Texas (TRS)

Lamar State College Orange 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.

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. The plan 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

UNAUDITED

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 7.7 percent of gross earnings for 2021 and 2020, while employer contributions were 7.5 percent of the participants' gross earnings for 2021 and 2020. 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, 2021 and 2020, attributable to the College's portion of the pension obligation were as follows:

| | Year ended August 31, 2021 |
|------------------------|---------------------------------------|
| Employee Contributions | \$ 495,734.37 |
| Employer Contributions | 482,547.06 |
| Total | \$ 978,281.43 |

| | Year ended August 31, 2020 |
|------------------------|---------------------------------------|
| Employee Contributions | \$ 475,267.57 |
| Employer Contributions | 462,923.25 |
| Total | \$ 938,190.82 |

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's annual financial report, which may be found on the TRS website at www.trs.state.gov.

In accordance with the Reporting Requirements for Annual Financial Reports of State Agencies and Universities (Reporting Requirements) promulgated by the Texas Comptroller of Public Accounts, the

UNAUDITED

Texas State University System has implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions, and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date, which includes the net pension expense, net pension liability, and related deferred inflows and outflows. Under the Reporting Requirements, employees of the College are treated as employees of the System 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 the College. Recording and disclosure of this information occurs for the System as a whole in the consolidated Annual Financial Report of the Texas State University System (TSUS). The State of Texas and TSUS share responsibility for funding their proportional shares of the obligations of this 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, the College 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 2021 and FY 2020. 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 Lamar State College Orange (Employer) for the fiscal year ended August 31, 2021 and 2020, respectively are:

| | Year Ended August 31, 2021 |
|------------------------|----------------------------|
| Member Contributions | \$ 136,139.00 |
| Employer Contributions | 143,710.00 |
| TOTALS | \$ 279,849.00 |
| | |
| | Year Ended August 31, 2020 |
| Member Contributions | \$ 143,151.00 |
| Employer Contributions | 153,572.00 |
| TOTALS | \$ 296,723.00 |

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

UNAUDITED

Note 10: Deferred Compensation (Administering Agencies Only)

Not Used

Note 11: Postemployment Benefits Other Than Pensions (Administering Agencies only)

Not Used

Note 12: Interfund Activity and Transactions

As explained in Note 1 on 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

Lamar State College Orange 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.

Individual balances and activity at August 31, 2021 follows:

| | Due From Other Agencies | Due to Other Agencies | Source |
|---|----------------------------|--------------------------|------------------|
| Agency 320, D23, Fund 7999 | \$33,742.05 | | |
| Agency 781, D23, Fund 7999 | \$89,613.00 | | |
| Agency 758, D23, Fund 7999 | | \$988.58 | Designated Funds |
| Agency 781, D23, Fund 0325 | | \$217,281.29 | |
| Total Due From/To Other Agencies | \$123,355.05 | \$218,269.87 | |

| | Legislative TRANSFERS IN | Legislative TRANSFERS OUT |
|------------------------------------|-----------------------------|---------------------------|
| General Revenue (0001) TRB | | \$912,337.00 |
| General Revenue (0001) TSUS Bond | | \$231,500.00 |
| Agency 403, D23, Fund 001 | \$7,430.00 | |
| Total Legislative Transfers | \$7,430.00 | \$1,143,837.00 |

| | TRANSFERS IN | TRANSFERS OUT | SOURCE |
|----------------------------|--------------|---------------|------------------|
| Agency 758, D23, Fund 7999 | | \$164,715.00 | Designated Funds |

UNAUDITED

| | | | |
|----------------------------|-------------------|---------------------|------------------|
| Agency 758, D23, Fund 7999 | | \$ 104,099.40 | Designated Funds |
| Agency 902, D23, Fund 0210 | \$ 4,882.00 | | |
| Total Transfers | \$4,882.00 | \$268,814.40 | |
| | | | |
| | | | |

Individual balances and activity at August 31, 2020 follows:

| | Due From Other Agencies | Due to Other Agencies | Source |
|---|----------------------------|--------------------------|--------|
| Agency 320, D23, Fund 7999 | \$31,610.33 | | |
| Agency 781, D23, Fund 7999 | \$63,297.00 | | |
| Agency 320, D23, Fund 0001 | | \$2,647.76 | |
| Total Due From/To Other Agencies | \$94,907.33 | \$2,647.76 | |

| | Legislative TRANSFERS IN | Legislative TRANSFERS OUT | Source |
|------------------------------------|-----------------------------|------------------------------|--------|
| General Revenue (0001) TRB | | \$918,315.00 | |
| General Revenue (0001) TSUS Bond | | \$288,500.00 | |
| Agency 403, D23, Fund 001 | \$13,795.00 | | |
| Total Legislative Transfers | \$13,795.00 | \$1,206,815.00 | |

| | TRANSFERS IN | TRANSFERS OUT | SOURCE |
|----------------------------|-----------------------|---------------------|------------------|
| Agency 758, D23, Fund 7999 | | \$177,830.00 | Designated Funds |
| Agency 758, D23, Fund 7999 | | \$ 53,356.54 | Designated Funds |
| Agency 758, D23, Fund 7999 | | \$366.84 | ECP Interest |
| Agency 902, D23, Fund 0599 | \$20,897.05 | | |
| Agency 902, D23, Fund 0210 | \$8,107.00 | | |
| Agency 758, D23, Fund 7999 | \$1,772,280.00 | | |
| Total Transfers | \$1,801,284.05 | \$231,553.38 | |

Note 13: Continuance Subject to Review

Lamar State College Orange is not subject to a review of continuance.

Note 14: Adjustments to Fund Balances and Net Position

Lamar State College Orange had no adjustments to Fund Balances or Net Position to report as of August 31, 2021 and August 31, 2020

UNAUDITED

Note 15: Contingencies and Commitments

At August 31, 2021 and 2020 no lawsuits and claims involving Lamar State College Orange were pending. However, for Hurricane Ike damages incurred by the campus in 2008, there is a probable repayment to the Texas Division of Emergency Management (TDEM) in the amount of \$1,347,872.36 which has been accrued.

Note 16: Subsequent Events

Not Used

Note 17: Risk Management

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 the College must reimburse the General Revenue Fund from college 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, 2021 and 2020.

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 TEX.LABOR CODE Chapter 412 and Chapter 501. The assessment paid during the fiscal year ended August 31, 2021 and 2020 amounted to \$22,078.71 and \$15,529.53, respectively.

The College 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 Funds and other Non-Educational and General Funds. The insurance protects the bondholders 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. No insurance claims were made during the fiscal year ended August 31, 2021 and 2020.

Texas Motor Vehicle Safety Responsibility Act requires that every non-governmental vehicle operated on a state highway be insured for minimum limits of liability in the amount of \$30,000/\$60,000 bodily injury and \$25,000 property damage. However, Lamar State College Orange has chosen to carry liability

UNAUDITED

insurance on their licensed vehicles in the amount of \$1,000,000 combined single liability amount. The coverage exceeds the extent of the waivers of state immunity in the Tort Claims Act.

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

Lamar State College Orange 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 College involved in any risk pool with other government entities for these risks.

The College's liabilities are reported when it is both probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Liabilities are reevaluated periodically to consider current settlements, frequency of claims, past experience and economic factors. There were no significant reductions in insurance coverage in the past year and losses did not exceed funding arrangements during the past three years. There were no liabilities to report during the fiscal year ended August 31, 2021 and 2020, respectively.

Note 18: Management's Discussion and Analysis

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

Lamar State College Orange is a state-supported college, governed by an elected nine-member board. As required by generally accepted accounting principles, these financial statements are presented for Lamar State College Orange. There are no component units.

Lamar State College Orange Foundation, Inc. is a non-profit organization, which was established in December 1983, to support the development and promotion of Lamar State College – Orange, its students, faculty, staff, and physical facilities. Neither the balance nor the transactions of this organization's fund are reflected in the financial statements during the year ended August 31, 2021 and 2020. Lamar State College Orange received \$20,000.00 and \$193,000.00 from the Lamar State College Orange Foundation during the year ended August 31, 2021 and 2020, respectively.

Note 20: Stewardship, Compliance and Accountability

Not Used

UNAUDITED

Note 21: Not Applicable to the AFR Reporting Requirements Process

Not Used

Note 22: Donor-Restricted Endowments

Lamar State College Orange has no cumulative net appreciation on investments of donor-restricted endowments classified as nonexpendable to report as of August 31, 2021 and 2020.

Note 23: Extraordinary and Special Items

Lamar State College Orange has no Special or Extraordinary Items as of August 31, 2021 and August 31, 2020.

Note 24: Disaggregation of Receivable and Payable Balances

Current Receivables and Other Current and Non-current Liabilities as of August 31, 2021 are comprised of the following:

| Note 24 | | |
|---|--|------------------------|
| Federal Receivables | | |
| Scholarships | | \$ 454,078.59 |
| Other Liabilities - Current | | |
| Refundable Student Deposits | | \$ 2,968.90 |
| Other Liabilities - Noncurrent | | |
| Refundable Student Deposits | | \$ 26,720.07 |
| Due to FEMA | | 1,347,872.36 |
| Total Other Liabilities - Noncurrent | | \$ 1,374,592.43 |

Current Receivables and Other Current and Non-current Liabilities as of August 31, 2020 are comprised of the following:

| | | |
|---|--|------------------------|
| Federal Receivables | | |
| Scholarships | | \$ \$ 714,545.26 |
| Other Liabilities - Current | | |
| Refundable Student Deposits | | \$ \$ 1,425.15 |
| Other Liabilities - Noncurrent | | |
| Refundable Student Deposits | | \$ 12,826.35 |
| Due to FEMA | | 1,347,872.36 |
| Total Other Liabilities - Noncurrent | | \$ 1,360,698.71 |

UNAUDITED

Note 25: Termination Benefits

Lamar State College Orange has no termination benefits to report as of August 31, 2021 and 2020.

Note 26: Segment Information

Lamar State College Orange has no segments to report as of August 31, 2021 and 2020.

Note 27: Service Concession Arrangements

Lamar State College Orange has no service concession arrangements to report as of August 31, 2021 and 2020.

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

Lamar State College Orange has no deferred outflows of resources and deferred inflows of resources to report as of August 31, 2021 and 2020.

Note 29: Troubled Debt Restructuring

Lamar State College Orange has no troubled debt restructuring to report as of August 31, 2021 and 2020.

Note 30: Non-Exchange Financial Guarantees

Lamar State College Orange has no non-exchange financial guarantees to report as of August 31, 2021 and 2020.

Note 31: Tax Abatements

Lamar State College Orange has not entered into any tax abatement agreements to report as of August 31, 2021 and 2020.

Note 32: Governmental Fund Balances

Lamar State College Orange has no fund balances to report for governmental funds that are being classified other than the default for the fund type as of August 31, 2021 and 2020.

LAMAR STATE COLLEGE ORANGE
SCHEDULE 1A
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended August 31, 2021

| Federal Grantor/ Pass Through Grantor/ Program Title | CFDA Number | Pass-Through From | | | |
|--|----------------|-----------------------|-------------------|-------------------------------|---------------------------------|
| | | Identifying Number | Agy/ Univ # | Agencies Or Univ Amount | Non-State Entities Amount |
| U.S. Department of Education | | | | | |
| Pass-Through From: | | | | | |
| The Higher Education Coordinating Board | | | | | |
| Vocational Education-Basic Grant | 84.048 | | 781 | 273,631.38 | |
| GEER TEOG - GEER Educational Grants | 84.425C | | 781 | 29,462.00 | |
| GEER - Governor's Emergency Education | 84.425C | | 781 | 28,469.00 | |
| Reskilling Support Grant 1 | 84.425 | | 781 | 4,003.75 | |
| Reskilling Support Grant 2 | 84.425 | | 781 | 4,000.00 | |
| Department of Homeland Security | | | | | |
| Pass-Through From: | | | | | |
| The Department of Public Safety | 97.036 | | | | |
| Public Assistance Grants | | | | | |
| Stephen F. Austin | | | | | |
| Department of Homeland Security | | | | | |
| Pass-Through From: | | | | | |
| Texas Department of Public Safety | 97.036 | | | | |
| Sam Houston State University | | | | | |
| Plant and Animal Disease, Pest Control and Animal Car | 10.025 | | 753 | - | |
| Texas Workforce Commission | | | | | |
| Pass-Through From: | | | | | |
| Apprenticeship (St Adm Mtch Grants Supp Nutr) | 10.561 | | 320 | | |
| Apprenticeship (WIA Disl Worker Formula Grants) | 17.278 | | 320 | 80,441.00 | |
| Apprenticeship (Temp Assist for Needy Families) | 93.558 | | 320 | | |
| Sub-Total | | | | <u>420,007.13</u> | <u>-</u> |
| Student Financial Assistance Cluster | | | | | |
| U. S. Department of Education | | | | | |
| Direct Programs: | | | | | |
| Federal Supplemental Opport. Ed. Grants | 84.007 | | | | |
| Federal Work-Study Program | 84.033 | | | | |
| Federal Pell Grant Program | 84.063 | | | | |
| Federal Direct Student Loans | 84.268 | | | | |
| Emergency Assistance for Institutions of HE | 84.938T | | | | |
| CARES Act Student Portion | 84.425E | | | | |
| CARES Act Institution Portion | 84.425F | | | | |
| Total Student Financial Assistance Cluster Programs | | | | <u>-</u> | <u>-</u> |
| TOTAL FEDERAL FINANCIAL ASSISTANCE | | | | <u>\$ 420,007.13</u> | <u>\$ -</u> |

Note 2: Reconciliation:

Below is a reconciliation of the total of federal pass-through and federal expenditures as reported on the Schedule of Federal Financial Assistance to the total of federal revenues and federal grant pass-through revenues as reported in the general-purpose financial statements. Generally, federal funds are not earned until expended; therefore, federal revenues equal federal expenditures for the reporting period.

| | |
|---|------------------------|
| Per Proprietary Statement of Changes in Revenues, Expenses and Net Position | |
| Proprietary Funds - Federal Revenue (SCRECNP) | \$ 4,395,867.71 |
| Proprietary Funds - Federal Pass-Through Revenue (SCRECNP) | 420,007.13 |
| Reconciling Item: New Loans Processed | |
| Federal Direct Student Loans | 1,452,179.00 |
| Total Pass Through and Expenditures per Federal Schedule | <u>\$ 6,268,053.84</u> |

Note 3: Student Loans Processed and Administrative Costs Recovered

| Federal Grantor/CFDA Number/ Program Name | New Loans Processed | Admin Costs Recovered | Total Loans Processed & Admi. Costs Recovered | Ending Balances of Previous Year's Loans |
|--|------------------------|-----------------------------|--|--|
| Department of Education | | | | |
| Federal Direct Student Loans 84.268 | \$ 1,452,179.00 | 0 | \$ 1,452,179.00 | 0 |
| Total Department of Education | \$ 1,452,179.00 | 0 | \$ 1,452,179.00 | 0 |

Notes 1, 4, 5, 6, and 7 are non-applicable.

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| Direct Program Amount | Total Pass Throughs from and Direct Program | Pass-Through To | | | Expenditures | Total Pass-Through To & Expenditures |
|-----------------------------|---|--------------------|--------------------------------|---------------------------------|------------------------|--|
| | | Agy/ Univ. # | State Agy or Univ Amount | Non-State Entities Amount | | |
| | 273,631.38 | | | | 273,631.38 | 273,631.38 |
| | 29,462.00 | | | | 29,462.00 | 29,462.00 |
| | 28,469.00 | | | | 28,469.00 | 28,469.00 |
| | 4,003.75 | | | | 4,003.75 | 4,003.75 |
| | 4,000.00 | | | | 4,000.00 | 4,000.00 |
| | - | | | | - | - |
| | - | | | | - | - |
| | - | | | | - | - |
| | - | | | | - | - |
| | - | | | | - | - |
| | - | | | | - | - |
| | - | | | | - | - |
| | - | | | | - | - |
| | - | | | | - | - |
| | 80,441.00 | | | | 80,441.00 | 80,441.00 |
| | - | | | | - | - |
| <u>-</u> | <u>420,007.13</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>420,007.13</u> | <u>420,007.13</u> |
| 82,883.00 | 82,883.00 | | | | 82,883.00 | 82,883.00 |
| 20,405.76 | 20,405.76 | | | | 20,405.76 | 20,405.76 |
| 3,366,969.08 | 3,366,969.08 | | | | 3,366,969.08 | 3,366,969.08 |
| 1,452,179.00 | 1,452,179.00 | | | | 1,452,179.00 | 1,452,179.00 |
| 36,153.22 | 36,153.22 | | | | 36,153.22 | 36,153.22 |
| 521,660.00 | 521,660.00 | | | | 521,660.00 | 521,660.00 |
| 367,796.65 | 367,796.65 | | | | 367,796.65 | 367,796.65 |
| <u>5,848,046.71</u> | <u>5,848,046.71</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>5,848,046.71</u> | <u>5,848,046.71</u> |
| <u>\$ 5,848,046.71</u> | <u>\$ 6,268,053.84</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 6,268,053.84</u> | <u>\$ 6,268,053.84</u> | <u>\$ 6,268,053.84</u> |

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LAMAR STATE COLLEGE - ORANGE
SCHEDULE 1B
SCHEDULE OF STATE PASS THROUGHS FROM/TO STATE AGENCIES
For the Fiscal Year Ended August 31, 2021

Pass Through From:

Texas Higher Education Coordinating Board (Agency 781)

| | | |
|-------------------------------|----|------------|
| Texas Educational Opportunity | \$ | 279,605.74 |
| College Work Study | | 7,168.00 |

Texas Workforce Commission (Agency 320)

| | | |
|--------------------|--|------------|
| Apprenticeship | | 329,479.00 |
| Skills Development | | 402,187.68 |

| | | |
|--|--|------------------------|
| Total Pass Through From Other Agencies | | <u>\$ 1,018,440.42</u> |
|--|--|------------------------|

UNAUDITED

**LAMAR STATE COLLEGE ORANGE
SCHEDULE 2A
MISCELLANEOUS BOND INFORMATION
For the Fiscal Year Ended August 31, 2021**

SCHEDULE NOT USED

UNAUDITED

LAMAR STATE COLLEGE ORANGE
SCHEDULE 2B
CHANGES OF BOND INDEBTEDNESS
For the Fiscal Year Ended August 31, 2021

SCHEDULE NOT USED

UNAUDITED

**LAMAR STATE COLLEGE ORANGE
SCHEDULE 2C
DEBT SERVICE REQUIREMENTS SCHEDULE
For the Fiscal Year Ended August 31, 2021**

SCHEDULE NOT USED

UNAUDITED

**LAMAR STATE COLLEGE ORANGE
SCHEDULE 2D
ANALYSIS OF FUNDS AVAILABLE FOR DEBT SERVICE
For the Fiscal Year Ended August 31, 2021**

SCHEDULE NOT USED

UNAUDITED

LAMAR STATE COLLEGE ORANGE
SCHEDULE 2E
SCHEDULE OF DEFEASED BONDS OUTSTANDING
For the Fiscal Year Ended August 31, 2021

SCHEDULE NOT USED

**LAMAR STATE COLLEGE ORANGE
SCHEDULE 3
RECONCILIATION OF CASH IN STATE TREASURY
August 31, 2021**

| Cash In State Treasury | Unrestricted | Restricted | Current Year Total |
|---|------------------------|----------------------|---------------------------|
| Available University Fund 0285 | \$ 2,594,166.33 | | \$ 2,594,166.33 |
| Available Coronavirus Relief Fund 0325 | | 217,281.29 | \$ 217,281.29 |
| Total Cash In State Treasury (Statement of Net Assets) | \$ 2,594,166.33 | \$ 217,281.29 | \$ 2,811,447.62 |

UNAUDITED

LAMAR STATE COLLEGE - ORANGE
SCHEDULE 4 - HIGHER EDUCATION ASSISTANCE FUND
For the fiscal year ended August 31, 2021

| | |
|-----------------------------------|---|
| Balance September 1, 2020 | <u>Totals</u> <u>\$ 3,528,026.39</u> |
| | |
| REVENUES | |
| HEAF Appropriation | 1,488,396.00 |
| Total Revenues | <u>1,488,396.00</u> |
| | |
| EXPENSES | |
| Other Expenses | 37,406.89 |
| Transfers among funds | - |
| Transfer between agencies | 231,500.00 |
| Total Expenses | <u>268,906.89</u> |
| | |
| BALANCE AT AUGUST 31, 2021 | <u><u>\$ 4,747,515.50</u></u> |