



Lamar State College  
Port Arthur  
Member - The Texas State University System

**ANNUAL FINANCIAL REPORT**

**FISCAL YEAR 2017**

(September 1, 2016 – August 31, 2017)



## Lamar State College - Port Arthur

MEMBER TEXAS STATE UNIVERSITY SYSTEM™

November 20, 2017

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

Dear Governor Abbott, Mr. Hegar, Ms. Parks, and Ms. Collier:

We are pleased to submit the annual financial report of Lamar State College Port Arthur for the year ended August 31, 2017, in compliance with Texas Government Code Annotated, Section 2101.011, and in accordance with the requirements established by the Texas Comptroller of Public Accounts.

Due to the statewide requirements embedded in Governmental Accounting Standards Board (GASB) 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 (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) 984-6125.

Sincerely,

Dr. Betty Reynard  
President

MAW



## Lamar State College - Port Arthur

MEMBER TEXAS STATE UNIVERSITY SYSTEM™

November 20, 2017

Dr. Betty Reynard  
President  
Lamar State College Port Arthur  
Port Arthur, TX 77641

Dear Dr. Reynard,

Submitted herein is the Annual Financial Report of Lamar State College Port Arthur for the fiscal year ended August 31, 2017.

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

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

If you have any questions, please contact Mary Wickland at (409) 984-6125.

Respectfully Submitted,

Leanna Odom, CPA, CFE  
Senior Director of Accounting and Finance

Approved:

Mary Wickland, CPA  
Vice President for Finance and Operations

UNAUDITED

LAMAR STATE COLLEGE PORT ARTHUR

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# THE TEXAS STATE UNIVERSITY SYSTEM

Thomas J. Rusk Building  
208 E. 10th Street, Suite 600  
Austin, Texas 78701-2407  
Telephone: (512) 463-1808

## ORGANIZATIONAL DATA

AS OF AUGUST 31, 2017

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### BOARD OF REGENTS

#### OFFICERS

Rossanna Salazar

Chairman

William F. Scott

Vice Chairman

#### MEMBERS

<u>Name</u>	<u>City (Texas)</u>	<u>Term Expires</u>
Charlie Amato	San Antonio	2/1/2019
Veronica Muzquiz-Edwards	San Antonio	2/1/2021
Dr. Jaime R. Garza	San Antonio	2/1/2017
David Montagne	Beaumont	2/1/2021
Vernon Reaser III	Houston	2/1/2019
Alan L. Tinsley	Madisonville	2/1/2021
Donna N. Williams	Arlington	2/1/2017
Kaitlyn Tyra	Huntsville	5/31/2018

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### ADMINISTRATIVE OFFICERS

#### SYSTEM OFFICE

Dr. Brian McCall

Chancellor

Dr. John Hayek

Vice Chancellor for Academic Affairs

Dr. Fernando Gomez

Vice Chancellor and General Counsel

Dr. Roland Smith

Vice Chancellor for Finance

Peter Graves

Vice Chancellor for Contract Administration

Sean Cunningham

Vice Chancellor for Governmental Relations

#### LAMAR STATE COLLEGE PORT ARTHUR

Dr. Betty Reynard

President

Dr. Gary Stretcher

Vice President for Academic Affairs

Mary Wickland

Vice President for Finance and Operations

Dr. Deborrah Hebert

Dean of Student Services

**UNAUDITED**  
**Texas State University System**  
**Lamar State College Port Arthur**  
**Statement of Net Position**  
**August 31, 2017**

**ASSETS AND DEFERRED OUTFLOWS**

Current Assets:

Cash and Cash Equivalents:

Cash on Hand	\$	1,100.00
Cash in Bank		575,145.50
Cash in State Treasury		3,432,988.70
Cash Equivalents		4,248,158.38

Restricted:

Cash and Cash Equivalents:

Cash Equivalents		1,680,237.32
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Legislative Appropriations

2,044,970.04

Receivables:

Federal		1,285,237.93
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Accounts Receivable, net		1,530,880.68
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Due From Other Agencies

219,283.28

Prepaid Items

572,585.60

Loans and Contracts

348,109.12

Total Current Assets

15,938,696.55

Noncurrent Assets:

Restricted:

Cash and Cash Equivalents:

Cash in Bank		536,230.25
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Cash Equivalents		793,176.25
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Capital Assets:

Non-Depreciable or Non-Amortizable:

Land and Land Improvements		1,976,519.00
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Depreciable or Amortizable:

Building and Building Improvements		43,152,816.95
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Less Accumulated Depreciation		(23,223,856.51)
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Facilities and Other Improvements		4,066,872.41
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Less Accumulated Depreciation		(1,429,861.69)
-------------------------------	--	----------------

Furniture and Equipment		2,792,343.05
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Less Accumulated Depreciation		(2,092,169.30)
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Vehicles, Boats, and Aircraft		271,574.50
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Less Accumulated Depreciation		(228,854.26)
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Other Capital Assets		3,152,938.71
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Less Accumulated Depreciation		(2,453,472.55)
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Total Noncurrent Assets

27,314,256.81

**Total Assets**

\$ 43,252,953.36

**UNAUDITED**  
**Texas State University System**  
**Lamar State College Port Arthur**  
**Statement of Net Position**  
**August 31, 2017**

**LIABILITIES AND DEFERRED INFLOWS**

Current Liabilities:

Payables from:

Accounts Payable	\$	2,211,488.79
Payroll Payable		922,103.20
Due to Other Agencies		68,234.36
Unearned Revenues		3,905,531.50
Employees' Compensable Leave		432,377.87
Total Current Liabilities		<u>7,539,735.72</u>

Noncurrent Liabilities:

Employees' Compensable Leave		144,125.95
Total Non-Current Liabilities		<u>144,125.95</u>

**Total Liabilities**

\$ 7,683,861.67

**NET POSITION**

Net Investment in Capital Assets	\$	25,984,850.31
Restricted for:		
Other		630,888.20
Funds Held as Permanent Investments:		
Endowment Funds		1,153,493.94
Unrestricted		<u>7,799,859.24</u>

**Total Net Position**

\$ 35,569,091.69

**UNAUDITED**  
**Texas State University System**  
**Lamar State College Port Arthur**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Year Ended August 31, 2017**

**Operating Revenues:**

Sales of Goods and Services		
Tuition and Fees – Pledged	\$	8,709,169.56
Tuition and Fees – Discounts/Allowances		(3,198,242.31)
Auxiliary Enterprise – Pledged		97,033.49
Other Sales of Goods and Services – Pledged		194,873.58
Federal Revenue - Operating		84,915.00
Federal Pass Through Revenue		161,998.45
State Grant Pass Through Revenue		739,451.03
Total Operating Revenues		<u>6,789,198.80</u>

**Operating Expenses:**

Instruction		8,577,131.44
Public Service		366,247.21
Academic Support		2,383,573.24
Student Services		1,411,541.25
Institutional Support		3,014,783.88
Operation and Maintenance of Plant		1,997,904.45
Scholarships and Fellowships		1,596,398.56
Auxiliary		1,717,928.31
Depreciation & Amortization		1,501,999.88
Total Operating Expenses		<u>22,567,508.22</u>

Operating Income (Loss)		<u>(15,778,309.42)</u>
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**Nonoperating Revenues (Expenses):**

Legislative Revenue (GR)		9,559,762.00
Additional Appropriations (GR)		2,803,703.09
Federal Revenue		2,728,313.90
Gifts		1,112,873.87
Interest and Investment Income		123,640.22
Other Nonoperating Revenues (Expenses)		717,233.27
Total Nonoperating Revenues (Expenses)		<u>17,045,526.35</u>

Income (Loss) before Other Revenues, Expenses, Gains, Losses and Transfers	\$	1,267,216.93
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**UNAUDITED**  
**Texas State University System**  
**Lamar State College Port Arthur**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Year Ended August 31, 2017**

<b>Other Revenues, Expenses, Gains, Losses and Transfers:</b>		
Capital Appropriations (HEF)	\$	2,157,784.00
Transfers In		8,087,195.00
Transfers Out		(121,711.09)
Legislative Transfers In		637,415.00
Legislative Transfers Out		(1,623,109.08)
Legislative Appropriations Lapsed		(11.42)
Total Other Revenues, Expenses, Gains, Losses and Transfers		9,137,562.41
 <b>Change in Net Position</b>		 10,404,779.34
 Total Net Position, September 1, 2016		 25,164,312.35
Total Net Position, August 31, 2017	\$	35,569,091.69

UNAUDITED  
Texas State University System  
Lamar State College Port Arthur  
Matrix of Operating Expenses Reported by Function  
For the Year Ended August 31, 2017

Operating Expenses	Instruction	Research	Public Service	Academic Support	Student Services	Institutional Support	Operation and Maintenance of Plant	Scholarship and Fellowships	Auxiliary Enterprises	Depreciation and Amortization	Total Expenses
Cost of Goods Sold	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries and Wages	5,257,528.42	-	206,706.76	1,012,970.55	921,149.14	1,615,483.50	486,119.41	101,063.60	639,486.20	-	10,240,507.58
Payroll Related Costs	1,893,718.61	-	86,081.11	363,756.19	374,581.18	557,636.56	189,907.88	-	153,499.90	-	3,619,181.43
Professional Fees and Services	46,195.45	-	-	62,151.25	0.00	7,092.93	361,910.24	-	41,398.82	-	518,748.69
Federal Grant Pass-Through Expense	-	-	-	-	-	-	-	-	-	-	-
State Grant Pass-Through Expense	-	-	-	-	-	-	-	-	-	-	-
Travel	47,438.85	-	8,588.22	84,803.16	4,575.48	5,390.24	-	-	89,412.15	-	240,208.10
Materials and Supplies	255,649.10	-	36,933.40	42,982.05	25,460.29	145,760.54	92,530.64	179.97	61,241.84	-	660,737.83
Communications and Utilities	-	-	1,952.34	26,146.97	-	28,092.90	440,989.33	-	9,243.46	-	506,425.00
Repairs and Maintenance	71,176.02	-	2,221.65	98,077.30	17,764.99	19.50	411,609.09	-	4,142.32	-	605,010.87
Rentals and Leases	91,939.66	-	-	3,366.16	1,292.80	10,754.63	2,137.66	-	8,098.20	-	117,589.11
Printing and Reproduction	10,179.20	-	489.90	2,041.39	5,029.95	12,242.73	401.30	-	8,252.32	-	38,636.79
Depreciation and Amortization	-	-	-	-	-	-	-	-	-	1,501,999.88	1,501,999.88
Bad Debt Expense	178,943.34	-	-	630.91	-	12,619.22	-	3,907.72	7,569.17	-	203,670.36
Interest	-	-	-	-	-	-	-	-	-	-	-
Scholarships	-	-	-	-	-	1,750.00	-	1,490,979.38	507,812.81	-	2,000,542.19
Claims and Judgments	-	-	-	-	-	-	-	-	-	-	-
Other Operating Expenses	724,362.79	-	23,273.83	686,647.31	61,687.42	617,941.13	12,298.90	267.89	187,771.12	-	2,314,250.39
<b>Total Operating Expenses</b>	<b>\$ 8,577,131.44</b>	<b>\$ -</b>	<b>\$ 366,247.21</b>	<b>\$ 2,383,573.24</b>	<b>\$ 1,411,541.25</b>	<b>\$ 3,014,783.88</b>	<b>\$ 1,997,904.45</b>	<b>\$ 1,596,398.56</b>	<b>\$ 1,717,928.31</b>	<b>\$ 1,501,999.88</b>	<b>\$ 22,567,508.22</b>

**UNAUDITED**  
**Texas State University System**  
**Lamar State College Port Arthur**  
**Statement of Cash Flows**  
**For the Year Ended August 31, 2017**

**CASH FLOWS FROM OPERATING ACTIVITES**

Receipts from Customers	\$ 97,033.49
Proceeds from Tuition and Fees	5,067,062.80
Proceeds from Auxiliaries	194,873.58
Proceeds from Other Operating Revenues	1,715,255.76
Payments to Suppliers for Goods and Services	(5,389,891.46)
Payments to Employees for Salaries	(10,283,258.65)
Payments to Employees for Benefits	(3,653,724.38)
Net Cash Provided (Used) by Operating Activities	<u>(12,252,648.86)</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITES**

Proceeds from State Appropriations	14,521,249.09
Proceeds from Gifts	1,112,873.87
Proceeds of Transfers from Other Funds	8,724,610.00
Proceeds from Grant Receipts	2,728,313.90
Proceeds from Other Noncapital Financing Activities	717,233.27
Payments for Transfers to Other Funds	(115,194.00)
Payments for Other Noncapital Financing Uses	(11.42)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>27,689,074.71</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITES**

Payments for Additions to Capital Assets	(10,940,359.98)
Payments of Principal on Debt	(1,318,360.83)
Payments of Interest on Debt Issuance	(311,265.34)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(12,569,986.15)</u>

**CASH FLOWS FROM INVESTING ACTIVITES**

Proceeds from Interest Income	32,931.24
Proceeds from Investment Income	90,708.98
Net Cash Provided (Used) by Investing Activities	<u>123,640.22</u>

Net Increase (Decrease) in Cash and Cash Equivalents 2,990,079.92

Cash and Cash Equivalents, September 1, 2016 8,276,956.48

Cash and Cash Equivalents, August 31, 2017 \$ 11,267,036.40

**UNAUDITED**  
**Texas State University System**  
**Lamar State College Port Arthur**  
**Statement of Cash Flows**  
**For the Year Ended August 31, 2017**

**RECONCILIATION OF OPERATING INCOME TO  
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

Operating Income (Loss)	\$	(15,778,309.42)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Amortization and Depreciation		1,501,999.88
Bad Debt Expense		146,463.75
Changes in Assets and Liabilities:		
(Increase) Decrease in Receivables		82,483.46
(Increase) Decrease in Due from Other Agencies		(84,447.03)
(Increase) Decrease in Prepaid Items		(66,864.34)
(Increase) Decrease in Loans and Contracts		(38,865.51)
Increase (Decrease) in Payables		1,907,173.16
Increase (Decrease) in Unearned Revenues		166,609.52
Increase (Decrease) in Employees' Compensable Leave		(34,542.95)
Increase (Decrease) in Benefits Payable		(42,751.07)
Increase (Decrease) in Other Liabilities		(11,598.31)
Total Adjustments		3,525,660.56
Net Cash Provided (Used) by Operating Activities	\$	(12,252,648.86)

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**Lamar State College Port Arthur  
Notes to the Financial Statements  
August 31, 2017**

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

**Entity**

Lamar State College Port Arthur 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 is 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. In accordance with GASB Statement No. 35, the College is reporting as a special-purpose government engaged only in Business-Type Activities within the Proprietary Fund Type. The accompanying entity-wide financial statements are prepared as such.

**Proprietary Funds**

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

**Component Units**

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

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**Lamar State College Port Arthur  
Notes to the Financial Statements  
August 31, 2017**

**Basis of Accounting**

For financial reporting purposes, the College is considered a special-purpose government engaged only in Business-Type activities. Accordingly, the College's financial statements have been presented using the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation is incurred. The proprietary funds utilized by the College distinguish operating from non-operating. Operating revenues and expenses result from providing services or producing and delivering goods in connection with ongoing operations. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All significant intra-agency transactions have been eliminated. The basis of accounting determines when revenues and 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.

**Restricted Net Position**

When both restricted and unrestricted sources are available for use, restricted resources are used first, then unrestricted resources are used as they are needed.

**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 Net Position**

**Assets**

**Cash and Cash Equivalents**

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

**Investments**

Investments are generally stated at fair value with certain exceptions in accordance with GASB Statement No. 72 *Fair Value Measurement and Application*. Invested security lending collaterals are measured at fair value. Securities lent are reported as assets on the statement of net position. The costs of securities lending transactions are reported as expenditures or expenses on the statement of revenues, expenses, and changes in net position. These costs are reported at gross.

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**Lamar State College Port Arthur  
Notes to the Financial Statements  
August 31, 2017**

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 are capitalized. These assets are capitalized at cost or, if not purchased, at appraised fair value as of the date of acquisition. Depreciation is reported on all "exhaustible" assets. "Inexhaustible" assets (such as works of art and historical treasures) are not depreciated. Road and highway infrastructure is depreciated over the estimate of average useful life of a grouping of assets using the composite method. Other depreciable assets are depreciated over the estimated useful life of the asset using the straight-line method.

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

Other Receivables - Current and Noncurrent

The disaggregation of other receivables as reported in the financial statements is disclosed in Note 24. Other receivables include year-end accruals not included in any other receivable category.

**Liabilities**

Accounts Payable

Accounts Payable represents the liability for the value of assets or services received at the statement of net position date for which payment is pending.

Unearned Revenues

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

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**Lamar State College Port Arthur  
Notes to the Financial Statements  
August 31, 2017**

Other Payables - Current and Noncurrent

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

Employees' Compensable Leave Balances

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

Capital Lease Obligations

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

Bonds Payable - General Obligation Bonds

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

Bonds Payable - Revenue Bonds

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

**Net Position**

The difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is "Net Position."

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.



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**Lamar State College Port Arthur  
Notes to the Financial Statements  
August 31, 2017**

Restricted Net Position

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

Unrestricted Net Position

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

**Interfund Activities and Transactions**

Lamar State College Port Arthur 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, the balance is classified as “current.” Balances for repayment due in two (or more) years are 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 (interfund services provided) and expenditures or expenses of the disbursing fund (interfund services used).

The composition of Lamar State College Port Arthur’s interfund activities and transactions are presented in Note 12.

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**Lamar State College Port Arthur  
Notes to the Financial Statements  
August 31, 2017**

**Note 2: Capital Assets**

A summary of changes in capital assets for the year ended August 31, 2017 is presented below:

Capital Assets	Beginning Balance	Adjustments/ Reclass	Additions	Deletions	Ending Balance
<b>Non-Depreciable Assets:</b>					
Land	\$ 1,973,283.64	\$ -	\$ 3,235.36	\$ -	\$ 1,976,519.00
Construction In Progress	556,099.43	(11,070,562.75)	10,514,463.32	-	-
Total Non-Depreciable Assets	<u>\$ 2,529,383.07</u>	<u>\$ (11,070,562.75)</u>	<u>\$ 10,517,698.68</u>	<u>\$ -</u>	<u>\$ 1,976,519.00</u>
<b>Depreciable Assets:</b>					
Buildings	\$ 32,082,254.20	\$ 11,070,562.75	\$ -	\$ -	\$ 43,152,816.95
Facilities and Other	4,066,872.41	-	-	-	4,066,872.41
Furniture and Equipment	2,542,575.56	-	256,875.49	(7,108.00)	2,792,343.05
Fleet Vehicles	242,466.52	-	29,107.98	-	271,574.50
Other Assets	3,016,260.88	-	136,677.83	-	3,152,938.71
Total Depreciable Assets at Historical Costs	<u>\$ 41,950,429.57</u>	<u>\$ 11,070,562.75</u>	<u>\$ 422,661.30</u>	<u>\$ (7,108.00)</u>	<u>\$ 53,436,545.62</u>
<b>Less: Accumulated Depreciation for:</b>					
Buildings	\$ (22,173,738.46)	\$ -	\$ (1,050,118.05)	\$ -	\$ (23,223,856.51)
Facilities and Other	(1,268,554.09)	-	(161,307.60)	-	(1,429,861.69)
Furniture and Equipment	(1,911,890.48)	-	(187,386.82)	7,108.00	(2,092,169.30)
Fleet Vehicles	(216,106.29)	-	(12,747.97)	-	(228,854.26)
Other Assets	(2,363,033.11)	-	(90,439.44)	-	(2,453,472.55)
Total Accumulated Depreciation	<u>\$ (27,933,322.43)</u>	<u>\$ -</u>	<u>\$ (1,501,999.88)</u>	<u>\$ 7,108.00</u>	<u>\$ (29,428,214.31)</u>
Depreciable Assets, Net	<u>\$ 14,017,107.14</u>	<u>\$ 11,070,562.75</u>	<u>\$ (1,079,338.58)</u>	<u>\$ -</u>	<u>\$ 24,008,331.31</u>
Total Capital Assets, Net	<u>\$ 16,546,490.21</u>	<u>\$ -</u>	<u>\$ 9,438,360.10</u>	<u>\$ -</u>	<u>\$ 25,984,850.31</u>

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**Lamar State College Port Arthur  
Notes to the Financial Statements  
August 31, 2017**

**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.

**Deposits of Cash in Bank**

As of August 31, 2017, the carrying amount of deposits was \$1,111,375.75 as presented below:

Cash in Bank - Carrying Value			<u>\$ 1,111,375.75</u>
Proprietary Funds	Current Assets	Cash in Bank	575,145.50
Proprietary Funds	Noncurrent Assets	Restricted Cash in Bank	536,230.25
<b>Cash in Bank per AFR</b>			<u><u>\$ 1,111,375.75</u></u>

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

As of August 31, 2017, the total bank balance was \$3,225,246.40 (Business-Type Activities).

**Investments**

Lamar State College Port Arthur 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.

**Fair Value of Investments**

Lamar State College Port Arthur measures and records investments using fair value measurement guidelines in accordance with GASB Statement 72, *Fair Value Measurement and Application*. GASB 72 recognizes a three level fair value hierarchy:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; or,
- Level 3: Unobservable inputs.

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**Lamar State College Port Arthur  
Notes to the Financial Statements  
August 31, 2017**

As of August 31, 2017, the fair value of investments were categorized as a Level 1 input and are as follows:

**BUSINESS-TYPE ACTIVITIES**

		Fair Value
Other Commingled Funds	TexPool	\$ 126,378.13
	TexPool Prime	6,595,193.82
	<b>Total Investments</b>	<b>\$ 6,721,571.95</b>

**BUSINESS-TYPE ACTIVITIES**

Proprietary Funds	Current Assets	Cash Equivalents	\$ 4,248,158.38
Proprietary Funds	Current Assets	Restricted Cash Equivalents	1,680,237.32
Proprietary Funds	Noncurrent Assets	Restricted Cash Equivalents	793,176.25
		<b>Total Investments</b>	<b>\$ 6,721,571.95</b>

**Note 4: Short-Term Debt**

Lamar State College Port Arthur has no short term debt to report as of August 31, 2017.

**Note 5: Long-Term Liabilities**

Bonds Payable

See Note 6 for a discussion of Bonded Indebtedness.

Employees' Compensable Leave

If a state employee had continuous employment with the state for at least six months, the state employee is entitled to be paid for all unused vacation time accrued in the event of the employee's resignation, dismissal, or separation from state employment. Both an expense and a liability for business-type activities are recorded in the proprietary funds as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. This obligation is usually paid from the same funding source(s) from which the employee's salary or wage compensation was paid.

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**Lamar State College Port Arthur  
Notes to the Financial Statements  
August 31, 2017**

	Balance 9/1/2016	Additions	Reductions	Balance 8/31/2017	Amount Due Within One Year	Amount Due Thereafter
Compensable Leave	\$ 611,046.77	\$ 405,998.58	\$ 440,541.53	\$ 576,503.82	\$ 432,377.87	\$ 144,125.95

**Note 6: Bonded Indebtedness**

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

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

*Debt Service Requirements Attributable to Lamar State College Port Arthur:*

Description	Year	Principal	Interest	Total
All Series	2018	\$ 1,048,062.94	\$ 555,807.04	\$ 1,603,869.98
	2019	906,796.70	504,982.40	1,411,779.10
	2020	948,915.90	461,275.50	1,410,191.40
	2021-2025	3,761,343.96	1,637,095.18	5,398,439.14
	2026-2030	3,560,000.00	823,875.02	4,383,875.02
	2031-2035	1,350,000.00	94,318.76	1,444,318.76
	2036-2040	-	-	-
	2041-2045	-	-	-
<b>TOTALS</b>		<b>\$ 11,575,119.50</b>	<b>\$ 4,077,353.90</b>	<b>\$ 15,652,473.40</b>

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**Lamar State College Port Arthur  
Notes to the Financial Statements  
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A portion of the debt represents Tuition Revenue Bonds historically funded by the Texas Legislature through General Revenue Appropriations. The institution was appropriated \$1,486,458 during the current fiscal year for Tuition Revenue Bond debt service. The institution expects future Legislative appropriations to meet debt service requirements for Tuition Revenue Bonds.

**Note 7: Derivative Instruments**

Lamar State College Port Arthur has no derivative instruments to report as of August 31, 2017.

**Note 8: Leases**

Lamar State College Port Arthur has entered into various operating leases for equipment. Rental expense was \$20,208.16 (fund type - proprietary fund) for the respective operating leases for the fiscal year ended August 31, 2017.

Future minimum lease payments under non-cancelable operating leases having an initial term in excess of one year as of August 31, 2017 were as follows:

Fiscal Year	
2018	\$ 13,245.66
2019	7,064.31
2020	2,745.35
2021	1,848.00
2022	1,848.00
2023-2027	308.00
	<u>\$ 27,059.32</u>

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**Lamar State College Port Arthur  
Notes to the Financial Statements  
August 31, 2017**

**Note 9: Retirement Plans (administering agencies only)**

The state established an optional retirement program (ORP) for institutions of higher education. Participation in ORP is in lieu of participation in the Teacher Retirement System and is available to certain eligible employees. The amounts contributed by plan members and by Lamar State College Port Arthur (Employer) for the fiscal year ended August 31, 2017 are:

	<b>Year ended August 31, 2017</b>
Member Contributions	\$ 168,445.86
Employer Contributions	185,029.85
<b>Total</b>	<b>\$ 353,475.71</b>

**Note 10: Deferred Compensation (administering agencies only)**

Not Applicable.

**Note 11: Postemployment Health Care and Life Insurance Benefits (administering agencies only)**

Not Applicable.

**Note 12: Interfund Activity and Transactions**

As explained in Note 1, Interfund Activities 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

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**Lamar State College Port Arthur  
Notes to the Financial Statements  
August 31, 2017**

Lamar State College Port Arthur experienced 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 statements.

Individual balances and activity at August 31, 2017 are as follows:

	Due From Other Agencies	Due To Other Agencies	Source
Appd Fund 9999, D23, Fund 7999			
* Agency 730, D23 Fund 7999	\$ 10,696.77	\$ -	Federal
* Agency 734, D23 Fund 7999	1,700.00	68,234.36	Local
* Agency 781, D23 Fund 7999	36,642.54	-	Federal
* Agency 781, D23 Fund 7999	169,081.35	-	State
* Agency 789, D23 Fund 7999	1,162.62	-	Local
<b>Total Due From/To Other Agencies</b>	<b>\$ 219,283.28</b>	<b>\$ 68,234.36</b>	
	<b>Transfers From Other Agencies</b>	<b>Transfers To Other Agencies</b>	
Mandatory Transfers			
Appd Fund 9999, D23 Fund 9999			
* Agency 758, D23 Fund 9999	\$ 8,080,000.00	\$ 6,517.09	Local
Non Mandatory Transfers			
Appd Fund 9999, D23 Fund 9999			
* Agency 758, D23 Fund 9999	-	115,194.00	Local
* Agency 902, D23 Fund 0210	7,195.00	-	State
<b>Total Transfers From/To Other Agencies</b>	<b>\$ 8,087,195.00</b>	<b>\$ 121,711.09</b>	
	<b>Legislative Transfers From Other Agencies</b>	<b>Legislative Transfers To Other Agencies</b>	
Appd Fund 0001, D23 Fund 0001			
* Agency 403, D23 Fund 0001	\$ 12,462.00	\$ -	State
* Agency 781, D23 Fund 0001	624,953.00	-	State
* Agency 758, D23 Fund 0001	-	1,486,446.58	General Revenue
* Agency 758, D23 Fund 0001	-	136,662.50	General Revenue
<b>Total Legislative Transfers</b>	<b>\$ 637,415.00</b>	<b>\$ 1,623,109.08</b>	



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**Lamar State College Port Arthur  
Notes to the Financial Statements  
August 31, 2017**

**Note 13: Continuance Subject to Review**

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

**Note 14: Adjustments to Fund Balances and Net Position**

Lamar State College Port Arthur has no restatements of Fund Balances and Net Position to report as of August 31, 2017.

**Note 15: Contingencies and Commitments**

At August 31, 2017, various lawsuits and claims involving Lamar State College Port Arthur were pending. While the ultimate liability with respect to litigation and other claims asserted against the College 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 College.

**Note 16: Subsequent Events**

None.

**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, 2017.

**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, 77<sup>th</sup> 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, 2017 amounted to \$49,357.71.

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**Lamar State College Port Arthur  
Notes to the Financial Statements  
August 31, 2017**

Lamar State College Port Arthur is required by certain bond covenants and FEMA to carry Fire and Extended Coverage and Boiler insurance on buildings financed through the issuance of bonds using pledged Auxiliary Enterprise, Educational and General and other Non-Educational 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. No insurance claims were made during the fiscal year ended August 31, 2017.

The 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. All vehicles owned and/or leased by Lamar State College Port Arthur are covered by a commercial insurance policy specifically customized for the Texas State University System, which provides coverage to the extent of \$1,000,000 combined single liability. The coverage exceeds the extent of the waivers of state immunity specified in the Texas Tort Claims Act, Civil Properties and Remedies Code Section 101.023.

Lamar State College Port Arthur 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 Port Arthur assumes substantially all risks associated with tort and liability claims due to the performance of its duties. Currently, the College is not involved in any risk pools with other government entities.

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, 2017.

**Note 18: Management's Discussion and Analysis**

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

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**Lamar State College Port Arthur  
Notes to the Financial Statements  
August 31, 2017**

**Note 19: The Financial Reporting Entity**

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

The College is affiliated with one foundation and an alumni association that has the sole purpose of supporting the educational and other activities of the College. These entities solicit donations and act as coordinator of gifts made by other parties.

Port Arthur Higher Education Foundation

The Port Arthur Higher Education Foundation is a non-profit organization which was established for the purpose of cooperating with and working on behalf of the College. Neither the transactions of this organization or its fund balances are reflected in the financial statements during the year ended August 31, 2017.

The Port Arthur Higher Education Foundation gave \$164,240.00 in scholarship money directly to Lamar State College Port Arthur students during the year ended August 31, 2017.

Lamar Port Arthur Alumni Association

The Lamar Port Arthur Alumni Association is a non-profit organization which was established for the purpose of cooperating with and working on behalf of the College. Neither the transactions of this organization or its fund balances are reflected in the financial statements during the year ended August 31, 2017.

**Note 20: Stewardship, Compliance, and Accountability**

Not Applicable

**Note 21: For Future Use**

Not Applicable

**Note 22: Donor Restricted Endowments**

Lamar State College Port Arthur has no donor restricted endowments to report as of August 31, 2017.

**Note 23: Extraordinary and Special Items**

Not Applicable

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**Lamar State College Port Arthur  
Notes to the Financial Statements  
August 31, 2017**

**Note 24: Disaggregation of Receivable and Payable Balances**

Other receivables and other payables as of August 31, 2017 are comprised of the following:

A. Receivables:

Federal Receivable	
Scholarship	<u>\$ 1,285,237.93</u>

B. Other Current Payables:

Refundable Student Deposit	<u>\$ -0 -</u>
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**Note 25: Termination Benefits**

Lamar State College Port Arthur has no termination benefits to report as of August 31, 2017.

**Note 26: Segment Information**

Lamar State College Port Arthur has no segments to report as of August 31, 2017.

**Note 27: Service Concession Arrangements**

Lamar State College Port Arthur has no service concession arrangements to report as of August 31, 2017.

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

Lamar State College Port Arthur has no deferred outflows of resources and deferred inflows of resources to report as of August 31, 2017.

**Note 29: Troubled Debt Restructuring**

Lamar State College Port Arthur has no troubled debt restructuring to report as of August 31, 2017.

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**Lamar State College Port Arthur  
Notes to the Financial Statements  
August 31, 2017**

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

Lamar State College Port Arthur has no non-exchange financial guarantees to report as of August 31, 2017.

**Note 31: Tax Abatements**

Lamar State College Port Arthur has no tax abatements to report as of August 31, 2017.

**Note 32: Fund Balance**

Lamar State College Port Arthur 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, 2017.

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LAMAR STATE COLLEGE PORT ARTHUR  
 SCHEDULE 1A - Schedule of Expenditures of Federal Awards  
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
 For the Fiscal Year Ended August 31, 2017

Federal Grantor/Pass Through Grantor/ Program Title	CFDA Number	PASS-THROUGH FROM				Total		Pass Thru	
		Agy #	Univ #	Identifying #	Agency or Univ. Amount	Direct Program Amount	Pass-Through & Direct Program	Expenditures	To & Expenditures
<b>U.S. Department of Education</b>									
Direct Programs:									
Federal Supplemental Education Opportunity Grants	84.007				\$ -	\$ 42,399.00	\$ 42,399.00	\$ 42,399.00	\$ 42,399.00
Federal Family Education Loan	84.032				-	2,559,289.00	2,559,289.00	2,559,289.00	2,559,289.00
Federal Work-Study Program	84.033				-	42,516.00	42,516.00	42,516.00	42,516.00
Federal Pell Grant Program	84.063				-	2,723,853.90	2,723,853.90	2,723,853.90	2,723,853.90
Administrative Cost Recovery	84.063				-	4,460.00	4,460.00	4,460.00	4,460.00
<b>Totals - U.S. Department of Education</b>					-	5,372,517.90	5,372,517.90	5,372,517.90	5,372,517.90
Pass-Through From:									
Texas Higher Education Coordinating Board		781							
Vocational Education Basic Grants to States	84.048				128,521.00	-	128,521.00	128,521.00	128,521.00
<b>Totals - U.S. Department of Education</b>					128,521.00	-	128,521.00	128,521.00	128,521.00
<b>Small Business Administration</b>									
Pass-Through From:									
University of Houston			730						
Small Business Development Centers	59.037				33,477.45	-	33,477.45	33,477.45	33,477.45
<b>Totals - Small Business Administration</b>					33,477.45	-	33,477.45	33,477.45	33,477.45
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>					<b>\$ 161,998.45</b>	<b>\$ 5,372,517.90</b>	<b>\$ 5,534,516.35</b>	<b>\$ 5,534,516.35</b>	<b>\$ 5,534,516.35</b>

**Note 2: Reconciliation:**

Federal Revenue - Operating (SRECNP)	\$ 84,915.00
Federal Pass Through Revenue (SRECNP)	161,998.45
Federal Revenue - Nonoperating (SRECNP)	<u>2,728,313.90</u>
	2,975,227.35
Reconciling Item:	
Federal Family Education Loan Program (FFELP)	<u>2,559,289.00</u>
Total Pass-Through and Expenditures Per Federal Schedule	<u>\$ 5,534,516.35</u>

Notes 1 and 3, 5, 6, 7, 8, and 9 are "not applicable."

Note 10 is "no."

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**LAMAR STATE COLLEGE PORT ARTHUR**  
**SCHEDULE 1B - Schedule of State Grant Pass-Throughs From/To State Agencies**  
**For the Fiscal Year Ended August 31, 2017**

	<u>Agency #</u>	<u>Amount</u>
<b>Pass Through From:</b>		
Texas Higher Education Coordinating Board	781	
College Work Study		\$ 11,703.00
Nursing & Allied Health		178,955.03
Texas Education Opportunity Grant		544,485.00
Texas Workforce Commission	320	
Skills Development		<u>4,308.00</u>
Total State Pass-Through Agency 788		<u><u>\$ 739,451.03</u></u>

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**LAMAR STATE COLLEGE PORT ARTHUR**  
**SCHEDULE 2A - Miscellaneous Bond Information**  
**For the Fiscal Year Ended August 31, 2017**

SCHEDULE NOT USED



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**LAMAR STATE COLLEGE PORT ARTHUR**  
**SCHEDULE 2B - Changes in Bonded Indebtedness**  
**For the Fiscal Year Ended August 31, 2017**

SCHEDULE NOT USED

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**LAMAR STATE COLLEGE PORT ARTHUR  
SCHEDULE 2C- Debt Service Requirements  
For the Fiscal Year Ended August 31, 2017**

SCHEDULE NOT USED

UNAUDITED

**LAMAR STATE COLLEGE PORT ARTHUR**  
**SCHEDULE 2D - Analysis of Funds Available for Debt Service**  
**For the Fiscal Year Ended August 31, 2017**

SCHEDULE NOT USED

UNAUDITED

**LAMAR STATE COLLEGE PORT ARTHUR  
SCHEDULE 2E - Defeased Bonds Outstanding  
For the Fiscal Year Ended August 31, 2017**

SCHEDULE NOT USED

UNAUDITED

Texas State University System  
Lamar State College Port Arthur  
Schedule 3 - Reconciliation of Cash in State Treasury  
August 31, 2017

<u>Cash in State Treasury</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Current Year Total</u>
Local Revenue Fund 0286	\$ 3,432,988.70	\$ -	\$ 3,432,988.70
<b>Total Cash in State Treasury (Stmt of Net Assets)</b>	<b>\$ 3,432,988.70</b>	<b>\$ -</b>	<b>\$ 3,432,988.70</b>

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**LAMAR STATE COLLEGE PORT ARTHUR**  
**SCHEDULE 4 - Higher Education Fund**  
**For the Fiscal Year Ended August 31, 2017**

	<u>Totals</u>
<b>BALANCE AT SEPTEMBER 1, 2016</b>	<u>\$ 3,199,178.11</u>
<b>REVENUES</b>	
HEF Appropriations	<u>2,157,784.00</u>
Total Revenues	<u>2,157,784.00</u>
<b>EXPENSES</b>	
Other Expenses	744,365.98
Construction in Progress	<u>2,631,283.86</u>
Total Expenditures	<u>3,375,649.84</u>
<b>BALANCE AT AUGUST 31, 2017</b>	<u><u>\$ 1,981,312.27</u></u>