

Texas Higher Education Coordinating Board



Annual Financial Report
For the Year Ended August 31, 2017

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

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TEXAS HIGHER EDUCATION COORDINATING BOARD

P.O. Box 12788 Austin, Texas 78711

Robert W. Jenkins
CHAIR

Stuart W. Stedman
VICE CHAIR

John T. Steen, Jr.
SECRETARY OF THE BOARD

Andrias R. "Annie" Jones
STUDENT REPRESENTATIVE

Arcilia C. Acosta
S. Javaid Anwar
Fred Farias III, O.D.
Ricky A. Raven
Janelle Shepard

Raymund A. Paredes
COMMISSIONER
OF HIGHER EDUCATION

512/427-6101
Fax 512/427-6127

Web site:
<http://www.thecb.state.tx.us>

November 20, 2017

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

From: Raymund A. Paredes *RAP*

RE: Annual Financial Report

We are pleased to submit the annual financial report of the Texas Higher Education Coordinating Board for the year ended 08/31/2017, in compliance with Texas Government Code, Section 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 Annual Financial Report to comply with all of 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 Glenn Osher, Director of Financial Reporting, at (512) 427-6174.

Enclosure

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT I
COMBINED BALANCE SHEET/STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
 For the Year Ended August 31, 2017

| | GOVERNMENTAL FUND TYPES | | | |
|---|--------------------------|-------------------------------------|----------------------------------|----------------------------|
| | General (Exhibit A-1) | Special Revenue (Exhibit B-1) | Debt Service (Exhibit C-1) | Permanent (Exhibit E-1) |
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash: | | | | |
| Shared Funds | \$ 22,423.38 | \$ 681,147.72 | \$ | \$ |
| On Hand | 100.00 | | | |
| In State Treasury | 249,565,033.82 | 152,020,176.03 | 117,493,989.87 | 10,922,779.27 |
| Legislative Appropriations | 55,653,835.82 | | | |
| Receivable From: | | | | |
| Accounts Receivable | 889,611.58 | 334,509.64 | 256,963.70 | |
| Federal | 6,112,141.00 | | | |
| Interest and Dividends (net of Allowance for Doubtful Accounts of \$5,327,205.08) | 59,681.47 | 9,150,690.14 | 318,478.23 | 12,265.80 |
| Due From Other Agencies (Note 12) | 4,935,802.53 | | | 548,573.34 |
| Interfund Receivable | 19,989.49 | | | |
| Prepaid Items | 51,654.81 | | | |
| Loans & Contracts (net of Allowance for Doubtful Accounts of \$2,481,146.58) | 5,030,254.54 | | | |
| Restricted: | | | | |
| Loans & Contracts (net of Allowance for Doubtful Accounts of \$18,278,010.83) | 10,315,854.31 | 94,533,137.15 | | |
| Total Current Assets | 332,656,382.75 | 256,719,660.68 | 118,069,431.80 | 11,483,618.41 |
| Non-Current Assets: | | | | |
| Receivable From: | | | | |
| Interest and Dividends (net of Allowance for Doubtful Accounts of \$1,255,119.88) | 603,994.43 | | | |
| Loans & Contracts (net of Allowance for Doubtful Accounts of \$25,180,327.27) | 51,050,371.71 | | | |
| Restricted: | | | | |
| Receivable From: | | | | |
| Interest and Dividends (net of Allowance for Doubtful Accounts of \$52,808,903.74) | 107.11 | 92,866,784.46 | | |
| Loans & Contracts (net of Allowance for Doubtful Accounts of \$185,497,421.95) | 104,692,156.97 | 959,385,207.47 | | |
| Capital Assets (Note 2): | | | | |
| Depreciable: | | | | |
| Furniture and equipment | | | | |
| Accumulated depreciation | | | | |
| Net depreciable capital assets | | | | |
| Total Non-Current Assets | 156,346,630.22 | 1,052,251,991.93 | | |
| TOTAL ASSETS | \$ 489,003,012.97 | \$ 1,308,971,652.61 | \$ 118,069,431.80 | \$ 11,483,618.41 |

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT I
 COMBINED BALANCE SHEET/STATEMENT OF NET POSITION
 GOVERNMENTAL FUNDS
 For the Year Ended August 31, 2017

| Governmental Funds Total | Capital Assets Adjustments | Long-Term Liabilities Adjustments | Statement of Net Position |
|--------------------------------|----------------------------------|---|------------------------------|
| \$ 703,571.10 | \$ | \$ | \$ 703,571.10 |
| 100.00 | | | 100.00 |
| 530,001,978.99 | | | 530,001,978.99 |
| 55,653,835.82 | | | 55,653,835.82 |
| 1,481,084.92 | | | 1,481,084.92 |
| 6,112,141.00 | | | 6,112,141.00 |
| 9,541,115.64 | | | 9,541,115.64 |
| 5,484,375.87 | | | 5,484,375.87 |
| 19,989.49 | | | 19,989.49 |
| 51,654.81 | | | 51,654.81 |
| 5,030,254.54 | | | 5,030,254.54 |
| 104,848,991.46 | | | 104,848,991.46 |
| 718,929,093.64 | | | 718,929,093.64 |
| 603,994.43 | | | 603,994.43 |
| 51,050,371.71 | | | 51,050,371.71 |
| 92,866,891.57 | | | 92,866,891.57 |
| 1,064,077,364.44 | | | 1,064,077,364.44 |
| | 817,057.59 | | 817,057.59 |
| | (763,164.56) | | (763,164.56) |
| | 53,893.03 | | 53,893.03 |
| 1,208,598,622.15 | 53,893.03 | | 1,208,652,515.18 |
| \$ 1,927,527,715.79 | \$ 53,893.03 | \$ | \$ 1,927,581,608.82 |

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT I
COMBINED BALANCE SHEET/STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
 For the Year Ended August 31, 2017

| | GOVERNMENTAL FUND TYPES | | | |
|---|--------------------------|-------------------------------------|----------------------------------|----------------------------|
| | General (Exhibit A-1) | Special Revenue (Exhibit B-1) | Debt Service (Exhibit C-1) | Permanent (Exhibit E-1) |
| LIABILITIES | | | | |
| Current Liabilities: | | | | |
| Payables from: | | | | |
| Accounts - Vendors | \$ 269,614.90 | \$ 716,190.16 | \$ | \$ 564,134.80 |
| Accounts - Grants and Loans | 7,955,186.93 | | | |
| Payroll | 1,834,266.26 | | | |
| Due To Other Funds (Note 12) | | | | |
| Bond Interest Payable | | | | |
| Employees' Compensable Leave Payable (Note 5) | | | | |
| General Obligation Bonds Payable (Note 5, 6) | | | | |
| Due To Other Agencies (Note 12) | 8,030,595.63 | | | 1,100,778.94 |
| Interfund Payable | 19,989.49 | | | |
| Total Current Liabilities | 18,109,653.21 | 716,190.16 | | 1,664,913.74 |
| Non Current Liabilities: | | | | |
| Employees' Compensable Leave Payable (Note 5) | \$ | \$ | \$ | \$ |
| General Obligation Bonds Payable (Note 5, 6) | | | | |
| Arbitrage Rebate Liability Payable (Note 15) | | | | |
| Total Non-Current Liabilities | | | | |
| Total Liabilities | 18,109,653.21 | 716,190.16 | | 1,664,913.74 |
| FUND FINANCIAL STATEMENT-FUND BALANCES | | | | |
| Fund Balances (Deficits): | | | | |
| Nonspendable-Prepaid Items | 51,654.81 | | | |
| Nonspendable-LT Contract and Receivables | 51,654,366.14 | | | |
| Restricted | 1,129,821.20 | 1,308,255,462.45 | 118,069,431.80 | |
| Committed | 364,612,906.49 | | | 9,818,704.67 |
| Assigned | 49,219.63 | | | |
| Unassigned | 53,395,391.49 | | | |
| Total Fund Balances | 470,893,359.76 | 1,308,255,462.45 | 118,069,431.80 | 9,818,704.67 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 489,003,012.97 | \$ 1,308,971,652.51 | \$ 118,069,431.80 | \$ 11,483,618.41 |

Government-Wide Statement of Net Position
Net Position
 Invested in Capital Assets, Net of Related Debt
 Restricted For:
 Other
 Unrestricted
TOTAL NET POSITION

The accompanying notes to the financial statements are an integral part of this financial statement.

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT I
 COMBINED BALANCE SHEET/STATEMENT OF NET POSITION
 GOVERNMENTAL FUNDS
 For the Year Ended August 31, 2017

| Governmental Funds Total | Capital Assets Adjustments | Long-Term Liabilities Adjustments | Statement of Net Position |
|--------------------------------|----------------------------------|---|------------------------------|
| \$ 269,614.90 | \$ | \$ | \$ 269,614.90 |
| 9,235,511.89 | | | 9,235,511.89 |
| 1,834,266.26 | | | 1,834,266.26 |
| 9,131,374.57 | | 4,206,870.84 | 4,206,870.84 |
| 19,989.49 | | 1,070,757.38 | 1,070,757.38 |
| | | 71,196,840.95 | 71,196,840.95 |
| <u>20,490,757.11</u> | | | <u>19,989.49</u> |
| | | <u>76,474,469.17</u> | <u>96,965,226.28</u> |
| \$ | \$ | \$ 628,593.52 | \$ 628,593.52 |
| | | 1,021,673,329.68 | 1,021,673,329.68 |
| | | 6,089,870.01 | 6,089,870.01 |
| | | <u>1,028,391,793.21</u> | <u>1,028,391,793.21</u> |
| <u>20,490,757.11</u> | | <u>1,104,866,262.38</u> | <u>1,125,357,019.49</u> |
| 51,654.81 | | | 51,654.81 |
| 51,654,366.14 | | | 51,654,366.14 |
| 1,427,454,715.45 | | | 1,427,454,715.45 |
| 374,431,611.16 | | | 374,431,611.16 |
| 49,219.63 | | | 49,219.63 |
| <u>53,395,391.49</u> | | | <u>53,395,391.49</u> |
| <u>1,907,036,958.68</u> | | | <u>1,907,036,958.68</u> |
| <u>\$ 1,927,527,715.79</u> | | | |
| | 53,893.03 | | 53,893.03 |
| | | (1,097,077,041.47) | (1,097,077,041.47) |
| | | (7,789,220.91) | (7,789,220.91) |
| | <u>\$ 53,893.03</u> | <u>\$ (1,104,866,262.38)</u> | <u>\$ 802,224,589.33</u> |

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT II
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE/
STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS
 For the Year Ended August 31, 2017

| | GOVERNMENTAL FUND TYPES | | | |
|--|--------------------------|-------------------------------------|----------------------------------|----------------------------|
| | General (Exhibit A-2) | Special Revenue (Exhibit B-2) | Debt Service (Exhibit C-2) | Permanent (Exhibit E-2) |
| REVENUES | | | | |
| Legislative Appropriations: | | | | |
| Original Legislative Appropriation Revenue | \$ 1,818,133,121.01 | \$ | \$ | \$ |
| Additional Legislative Appropriation Revenue | 2,720,448.81 | | | |
| Federal Revenues | 3,829,171.12 | 27,482.89 | 18,035.25 | |
| Federal Grant Pass-Through Revenues | 26,304,729.28 | | | |
| State Grant Pass-Through Revenues | (6,271.12) | | | |
| Licenses, Fees and Permits | 2,161,527.18 | 3,836,682.74 | | |
| Interest and Investment Income | 1,384,022.98 | 63,047,192.11 | 3,625,240.81 | 2,192,369.46 |
| Other Revenues | 2,423,811.98 | | | |
| Total Revenues | <u>1,856,950,561.24</u> | <u>66,911,357.74</u> | <u>3,643,276.06</u> | <u>2,192,369.46</u> |
| EXPENDITURES | | | | |
| Salaries & Wages | 16,435,636.71 | | | |
| Payroll Related Costs | 4,844,980.55 | | | |
| Professional Fees & Services | 3,720,577.60 | | | |
| Travel | 134,939.71 | | | |
| Materials & Supplies | 782,647.06 | | | |
| Communication & Utilities | 403,560.74 | | | |
| Repairs & Maintenance | 429,361.79 | | | |
| Rentals & Leases | 2,418,366.71 | | | |
| Printing & Reproduction | 201.02 | | | |
| Federal Grant Pass-Through Expenditures | 5,541,013.56 | | | |
| State Grant Pass-Through Expenditures | 457,060,687.82 | 5,000.00 | | 2,926,339.03 |
| Intergovernmental Payments | 1,073,131,819.66 | | | 2,560,933.51 |
| Public Assistance Payments | 39,766,052.20 | | | 723.66 |
| Other Expenditures | 35,675,357.43 | 25,174,955.01 | | |
| Debt Service: | | | | |
| Principal | | 250,405.17 | 58,194,594.83 | |
| Interest | | 377,645.21 | 49,916,589.81 | |
| Other Financing Fees | | 1,403,803.09 | | |
| Capital Outlays | 5,221.05 | | | |
| Depreciation and Amortization Expense | | | | |
| Total Expenditures | <u>1,640,350,423.61</u> | <u>27,211,808.48</u> | <u>108,111,184.64</u> | <u>5,487,996.20</u> |
| Excess (Deficiency) Of Revenues | | | | |
| Over Expenditures | <u>216,600,137.63</u> | <u>39,699,549.26</u> | <u>(104,467,908.58)</u> | <u>(3,295,626.74)</u> |

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT II
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE/
 STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS
 For the Year Ended August 31, 2017

| Governmental Funds Total | Capital Assets Adjustments | Long-Term Liabilities Adjustments | Statement of Activities |
|--------------------------------|----------------------------------|---|----------------------------|
| \$ 1,818,133,121.01 | \$ | \$ | \$ 1,818,133,121.01 |
| 2,720,448.81 | | | 2,720,448.81 |
| 3,874,689.26 | | | 3,874,689.26 |
| 26,304,729.28 | | | 26,304,729.28 |
| (6,271.12) | | | (6,271.12) |
| 5,998,209.92 | | | 5,998,209.92 |
| 70,248,825.36 | | | 70,248,825.36 |
| 2,423,811.98 | | | 2,423,811.98 |
| <u>1,929,697,564.50</u> | | | <u>1,929,697,564.50</u> |
| 16,435,636.71 | | 81,582.72 | 16,517,219.43 |
| 4,844,980.55 | | | 4,844,980.55 |
| 3,720,577.60 | | | 3,720,577.60 |
| 134,939.71 | | | 134,939.71 |
| 782,647.06 | | | 782,647.06 |
| 403,560.74 | | | 403,560.74 |
| 429,361.79 | | | 429,361.79 |
| 2,418,366.71 | | | 2,418,366.71 |
| 201.02 | | | 201.02 |
| 5,541,013.56 | | | 5,541,013.56 |
| 459,992,026.85 | | | 459,992,026.85 |
| 1,075,692,753.17 | | | 1,075,692,753.17 |
| 39,766,775.86 | | | 39,766,775.86 |
| 60,850,312.44 | | (911,357.65) | 59,938,954.79 |
| 58,445,000.00 | | (58,445,000.00) | 0.00 |
| 50,294,235.02 | | 462,148.96 | 50,756,383.98 |
| 1,403,803.09 | | | 1,403,803.09 |
| 5,221.05 | (5,221.05) | | |
| | <u>14,437.84</u> | <u>(11,725,300.00)</u> | <u>(11,710,862.16)</u> |
| <u>1,781,161,412.93</u> | <u>9,216.79</u> | <u>(70,537,925.97)</u> | <u>1,710,632,703.75</u> |
| <u>148,536,151.57</u> | <u>(9,216.79)</u> | <u>70,537,925.97</u> | <u>219,064,860.75</u> |

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT II
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE/
 STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS
 For the Year Ended August 31, 2017

| | GOVERNMENTAL FUND TYPES | | | |
|--|--------------------------|-------------------------------------|----------------------------------|----------------------------|
| | General (Exhibit A-2) | Special Revenue (Exhibit B-2) | Debt Service (Exhibit C-2) | Permanent (Exhibit E-2) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Bond and Note Proceeds | \$ | \$ 158,065,000.00 | \$ | \$ |
| Premium on Sale of Bonds | | 21,930,089.60 | | |
| Appropriations Lapsed | (1,935,878.58) | | | |
| Transfers In (Note 12) | 24,022,534.43 | 36,045,853.20 | 130,403,718.07 | 2,551,778.00 |
| Transfers Out (Note 12) | (37,251,636.44) | (145,157,152.98) | (33,700,000.00) | |
| Legislative Transfers Out (Note 12) | (241,200,000.00) | | | |
| Total Other Financing Sources (Uses) | (256,364,980.59) | 70,883,789.82 | 96,703,718.07 | 2,551,778.00 |
| Net Change in Fund Balances\Net Position | (39,764,842.96) | 110,583,339.08 | (7,764,190.51) | (743,848.74) |
| Fund Financial Statement-Fund Balances | | | | |
| Fund Balances-September 1, 2016 | 510,658,202.72 | 1,197,686,123.37 | 125,833,622.31 | 10,562,553.41 |
| Restatements (Note 14) | | (14,000.00) | | |
| Fund Balances-September 1, 2016, as Restated | 510,658,202.72 | 1,197,672,123.37 | 125,833,622.31 | 10,562,553.41 |
| FUND BALANCES - August 31, 2017 | \$ 470,893,359.76 | \$ 1,308,255,462.45 | \$ 118,069,431.80 | \$ 9,818,704.67 |
| Government-Wide Statement of Net Position | | | | |
| Net Position/Net Change in Net Position | | | | |
| Net Position, September 1, 2016 | | | | |
| NET POSITION, August 31, 2017 | | | | |

The accompanying notes to the financial statements are an integral part of this financial statement.

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT II
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE/
 STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS
 For the Year Ended August 31, 2017

| Governmental Funds Total | Capital Assets Adjustments | Long-Term Liabilities Adjustments | Statement of Activities |
|--------------------------------|----------------------------------|---|----------------------------|
| \$ 158,065,000.00 | \$ | \$ (158,065,000.00) | \$ 0.00 |
| 21,930,089.60 | | (21,930,089.60) | 0.00 |
| (1,935,878.58) | | | (1,935,878.58) |
| 193,023,883.70 | | | 193,023,883.70 |
| (216,108,789.42) | | | (216,108,789.42) |
| <u>(241,200,000.00)</u> | | | <u>(241,200,000.00)</u> |
| <u>(86,225,694.70)</u> | | <u>(179,995,089.60)</u> | <u>(266,220,784.30)</u> |
| 62,310,456.87 | (9,216.79) | (109,457,163.63) | (47,155,923.55) |
| 1,844,740,501.81 | | | 1,844,740,501.81 |
| <u>(14,000.00)</u> | | | <u>(14,000.00)</u> |
| <u>1,844,726,501.81</u> | | | <u>1,844,726,501.81</u> |
| <u>\$ 1,907,036,958.68</u> | <u>\$ (9,216.79)</u> | <u>\$ (109,457,163.63)</u> | <u>\$ 1,797,570,578.26</u> |
| <u>1,907,036,958.68</u> | <u>(9,216.79)</u> | <u>(109,457,163.63)</u> | <u>1,797,570,578.26</u> |
| | <u>63,109.82</u> | <u>(995,409,098.75)</u> | <u>(995,345,988.93)</u> |
| <u>\$ 1,907,036,958.68</u> | <u>\$ 53,893.03</u> | <u>\$ (1,104,866,262.38)</u> | <u>\$ 802,224,589.33</u> |

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT VI
 COMBINED STATEMENT OF FIDUCIARY NET POSITION
 For the Year Ended August 31, 2017

| | Perm Endowment Fund - Baylor College of Medicine Fund (0823) U/F (0823) | Child Support Deds-Suspense Account Fund (0807) U/F (8070) | TOTALS |
|--|---|--|-----------------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| ASSETS | | | |
| Current Assets: | | | |
| Cash: | | | |
| In State Treasury | \$ 168.47 | \$ 3,410.49 | \$ 3,578.96 |
| Receivables From | | | |
| Interest and Dividends | 0.30 | | 0.30 |
| Due From Other Agencies | 379,756.36 | | 379,756.36 |
| Total Current Assets | <u>379,925.13</u> | <u>3,410.49</u> | <u>383,335.62</u> |
| TOTAL ASSETS | <u>379,925.13</u> | <u>3,410.49</u> | <u>383,335.62</u> |
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Payables from | | | |
| Accounts - Grants and Loans | 379,925.13 | | 379,925.13 |
| Funds Held for Others | | 3,410.49 | 3,410.49 |
| Total Current Liabilities | <u>379,925.13</u> | <u>3,410.49</u> | <u>383,335.62</u> |
| TOTAL LIABILITIES | <u>379,925.13</u> | <u>3,410.49</u> | <u>383,335.62</u> |
| NET POSITION | | | |
| Held in trust for | | | |
| Individuals, Organizations, and Other Government | | | |
| TOTAL NET POSITION | <u>\$</u> | <u>\$</u> | <u>\$</u> |

The accompanying notes to the financial statements are an integral part of this financial statement.

**TEXAS HIGHER EDUCATION COORDINATING BOARD (781)
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ENTITY

The Texas Higher Education Coordinating Board (THECB) is an agency of the State of Texas and its financial records comply with state statutes and regulations. This includes compliance with the Texas Comptroller of Public Accounts' *Reporting Requirements for Annual Financial Reports of State Agencies and Universities*.

The Texas Legislature created the THECB in 1965 to achieve excellence for college education for the people of Texas. This purpose is to be pursued through the efficient and effective utilization and concentration of all available resources and the elimination of costly duplication in program offerings, faculties, and physical plants. The THECB is responsible for overall statewide planning for the unified development of the Texas system 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.

B. FUND STRUCTURE

The accompanying financial statements are presented on the basis of funds, each of which is considered a separate accounting entity.

Governmental Fund Types & Government-wide Adjustment Fund Types

General Fund

The general fund is used to account for all financial resources of the state except those required to be accounted for in another fund. The General Fund also includes the following consolidated funds: B-On-Time Student Loan, License Plate Trust Fund, Trauma Facility & EMS and Physician Ed Loan Repay Fund.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to use for specified purposes. The funds used by the THECB consists of the following: Texas Opportunity Plan, Student Loan Auxiliary, Student Loan Revenue Bonds Fund, and Suspense Fund.

Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of, long-term debt principal and interest. The funds used by the THECB consists of the following: Texas College Student Loan Bonds Interest and Sinking Fund.

Permanent funds

Permanent funds are used to account for the proceeds of specific revenue sources that are legally restricted to use for specified purposes. The funds used by the THECB consists of the following: Permanent Fund for Nursing, Allied Health, Baylor COM Permanent Health, and Permanent Fund for Minority Health Research and Education.

Fiduciary Fund Types

Fiduciary funds account for assets held by the state in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. When assets are held under the terms of a formal trust agreement, either a pension trust fund, or a private purpose trust fund is used.

Agency Funds

Agency funds are used to account for assets the government holds on behalf of others in a purely custodial capacity. Agency funds involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. The agency funds used by the THECB consists of the Child Support Deductions Suspense Account.

Private-Purpose Trust Funds

Private-purpose trust funds are used to account for all other trust arrangements whose principal and interest benefit individuals, private organizations, or other governments. The trust fund used by the THECB consists of the Baylor College of Medicine Permanent Endowment Fund.

Capital Asset Adjustment Fund Type

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)
NOTES TO THE FINANCIAL STATEMENTS

The capital asset adjustment fund is used to convert governmental fund types' capital assets from modified accrual to full accrual.

Long-Term Liabilities Adjustment Fund Type

The long-term liabilities adjustment fund is used to convert governmental fund types' debt and related liabilities from modified accrual to full accrual.

C. 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.

Governmental fund types that build the fund financial statements are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized in the period in which they become both measurable and available to finance operations of the fiscal year or liquidate liabilities existing at fiscal year end. The State of Texas considers receivables collected within sixty days after year-end to be available and recognizes them as revenues of the current year for fund financial statements prepared on the modified accrual basis. Expenditures and other uses of financial resources are recognized when the related liability is incurred.

Governmental adjustment fund types that will build the government-wide financial statements are accounted for using the full accrual basis of accounting. This includes capital assets, accumulated depreciation, unpaid employee compensable leave, the unmatured debt service (principal and interest) on general long-term liabilities, long-term capital leases, long-term claims and judgments and full accrual revenues and expenses. The activity will be recognized in these fund types.

Proprietary funds, pension trust funds, external investment trust funds and private-purpose trust funds are accounted for on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. Proprietary funds distinguish operating from non-operating items. Operating revenues and expenses result from providing services or producing and delivering goods in connection with the proprietary funds principal ongoing operations. Operating expenses for the enterprise and internal services funds include the cost of sales and services, administrative expenses, and depreciation on capital assets.

D. BUDGETS 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 sixty days after the end of the fiscal year for which they were appropriated.

E. 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.

Interest Receivable

Interest Receivable consists of interest earned or accrued that is not due to be received until after the balance sheet date. Interest Receivable is derived from interest due from the State Treasury for the interest bearing cash and loans issued from the student loan program and is reported net of allowance for doubtful accounts.

Student Loan Notes Receivable

Federal and state student loans are reported at their outstanding principal balances net of allowance for doubtful accounts. Student loans are recorded at cost when disbursed and are serviced by THECB throughout the life of the loan – school, grace, and repayment.

Allowance for Doubtful Accounts

The allowance for doubtful accounts includes the estimated amount of student loans that will be forgiven or will not be collected due to default. The allowance is calculated based on loan status, loan type, and current collection trends. Guarantees of certain loans are provided by U.S. Department of Education and U.S. Department of Health and Human Services.

Capital Assets

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TEXAS HIGHER EDUCATION COORDINATING BOARD (781)
NOTES TO THE FINANCIAL STATEMENTS

Capital assets, which include furniture and equipment, are reported in the governmental activities column in the government-wide financial statements. THECB generally defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated life greater than one year. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of the donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Capital assets of THECB are depreciated using the straight-line method over the following estimated useful lives:

| <u>Classification</u> | <u>Useful Life</u> |
|-------------------------|--------------------|
| Furniture and Equipment | 1 to 15 |

Restricted Assets

Restricted assets include monies or other resources restricted by legal or contractual requirements. These assets include proceeds of special revenue fund general obligation and revenue bonds, contractual commitments due to the THECB from the loan of these proceeds, as well as revenues set aside for statutory or contractual requirements. Assets held in reserve for guaranteed student loan defaults are also included.

LIABILITIES

Accounts Payable

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

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 non-current in the Combined Balance Sheet/Statement of Net Position - Governmental Funds.

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 non-current in the statement of net position.

Unearned Revenues

Unearned revenues consist of revenues that have been received but have not met the criteria for recognition.

Bonds Payable

The unmatured principle of bonds is accounted for in the Long-Term Liabilities Adjustment column. Payables are reported separately as either current or non-current in the statement of net position.

Serial interest bonds payable are recorded at par. The bond proceeds are accounted for as an "Other Financing Source" in the governmental funds when received, and expenditures for payment of principal and interest are recorded in Debt Service Funds when paid.

Arbitrage Rebate Liability

Arbitrage rebate liability is earned interest revenue on unspent bond proceeds in excess amounts allowed by Federal regulations. The amount represents the estimated payable at year end in the Combined Balance Sheet/Statement of Net Position - Governmental Funds.

FUND BALANCE/NET POSITION

The difference between fund assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is 'Net Position' on the government-wide and fiduciary fund statements, and the 'Fund Balance' is the difference between fund assets plus deferred outflows of resources and liabilities plus deferred inflows of resources on the governmental fund statements.

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)
NOTES TO THE FINANCIAL STATEMENTS

Fund Balance Components:

Nonspendable

Fund balance includes amounts not available to be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.

Restricted

Fund balance includes those resources that have constraints placed on their use through external parties or by law through constitutional provisions.

Committed

Fund balance can be used only for specific purposes pursuant to constraints imposed by a formal action of the Texas Legislature, the state's highest level of decision making authority.

Assigned

Fund balance includes amounts constrained by the state's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (1) the Texas Legislature or (2) a body (for example, a budget or finance committee) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

Unassigned

Fund balance is the residual classification for the general fund. This classification represents fund balance that was not assigned to other funds and was not restricted, committed or assigned to specific purposes within the general fund.

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 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.

GASB 54 Note Disclosures:

A. The Special Revenue Fund is comprised of the Texas Opportunity Plan Fund (TOP) and the Student Loan Auxiliary Fund (SLA). These Special Revenue Funds are used to account for the proceeds of bond issues and repayment of student loans in excess of what is required to be deposited in the Debt Service Fund to make loans to students attending Texas colleges and universities. The TOP Fund reflects bonds issued prior to 1992 and the funds are used to make Hinson-Hazlewood loans. The SLA Fund is for bond activity subsequent to 1992 and is used to make Hinson-Hazlewood loans and B-On-Time loans.

B. The State of Texas spending policy is to spend restricted fund balance first, followed by committed, assigned and unassigned fund balances.

C. See GASB 54 Fund Balance classification by purpose table (see following pages).

D. There are no stabilization arrangements with THECB.

E. The State of Texas does not have a minimum fund balance policy.

F. INTERFUND ACTIVITIES AND BALANCES

The THECB has the following types of transactions between funds:

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

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TEXAS HIGHER EDUCATION COORDINATING BOARD (781)
NOTES TO THE FINANCIAL STATEMENTS

GASB 54 Fund Balance classification by Purpose (as of August 31, 2017)

| | Consolidated Funds | | | |
|---|--------------------------|--------------------------|-----------------------|-------------------------|
| | 0001 | 0802 | 5103 | 5144 |
| | General Fund | License Plate Trust Fund | B-On-Time | Physician Ed Loan Repay |
| Nonspendable - Prepays | | | | |
| State Loan Programs | \$ 51,654.81 | | | |
| Nonspendable - LT Contract and Receivables | | | | |
| Armed Services Scholarships | 5,877,406.89 | | | |
| Teach for Texas Programs | 924,635.74 | | | |
| Texas B-on-Time Prog Private | 44,852,323.51 | | | |
| Restricted: | | | | |
| College Readiness and Success | 53,491.74 | | | |
| Debt Service | | | | |
| Federal Programs | 287,955.58 | | | |
| Physician - LRP | 335,229.00 | | | |
| Planning/Info/Evaluation | 106,188.11 | | | |
| St. David's - LRP | 152,223.00 | | | |
| Student Loans | | | | |
| T-STEM Scholarship | 194,733.77 | | | |
| Committed: | | | | |
| Baylor College of Medicine | | | | |
| License Plate Scholarships | | 6,925.40 | | |
| Minority Health Research/Ed | | | | |
| Nursing & Allied Health | | | | |
| Nursing Faculty - LRP | | | | 319,785.71 |
| Physician - LRP | | | | 117,674,428.52 |
| Texas B-on-Time Program Public | | | 246,611,766.86 | |
| Assigned: | | | | |
| Apply TX--Common Application | 11.81 | | | |
| Conferences | 49,107.82 | | | |
| Petty Cash | 100.00 | | | |
| Unassigned: | | | | |
| Accelerate TX CC Grants | 2,977,689.04 | | | |
| Armed Services Scholarships | 888,615.01 | | | |
| Autism Program | 2,802,359.03 | | | |
| Baylor College of Medicine | 21,655,785.67 | | | |
| Central Administration | 169,306.18 | | | |
| College Readiness and Success | 483,737.93 | | | |
| College Work Study Program | 954,064.56 | | | |
| Dental Education - LRP | 188,767.60 | | | |
| Developmental Ed Program | 449,927.94 | | | |
| Educational Aide Program | 1,147,347.14 | | | |
| Engineering Recruitment Prog | 5,942.97 | | | |
| Family Practice Residency | 17,500.00 | | | |
| Family Practice Residency Prog | 0.19 | | | |
| GME Expansion | 1,426,059.90 | | | |
| Information Resources | 99,940.57 | | | |
| Math & Science - LRP | 149,000.00 | | | |
| Mental Health - LRP | 2,035,486.00 | | | |
| Operating & Support | 1,907.84 | | | |
| Planning/Info/Evaluation | 66,491.94 | | | |
| Preceptorship Programs | 1.50 | | | |
| Primary Care Innovation Progra | 30,881.53 | | | |
| Prof Nursing Shortage Reduction | 2,721,411.02 | | | |
| State Loan Programs | 239,234.84 | | | |
| Student Grants & Special Prog | 13,772.57 | | | |
| Teach for Texas Programs | 4,544,310.06 | | | |
| Teacher Education | 6,784.34 | | | |
| Texas B-on-Time Prog Private | 8,649,290.09 | | | |
| Texas Education Opportunity Grant | 182,228.00 | | | |
| Top 10% Scholarships | 287,996.86 | | | |
| TX Grant Program | 863,541.33 | | | |
| TX Teacher Residency Program | 69,008.59 | | | |
| Workforce, Acad Affairs,& Rsch | 179,599.86 | | | |
| Unappropriated | 87,401.39 | | | |
| Grand Total | \$ 106,280,453.27 | 6,925.40 | 246,611,766.86 | 117,994,214.23 |

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TEXAS HIGHER EDUCATION COORDINATING BOARD (781)
NOTES TO THE FINANCIAL STATEMENTS

GASB 54 Fund Balance classification by Purpose (as of August 31, 2017)

| Special Revenue Funds | | | Permanent Funds | | | Debt Service Funds | |
|------------------------|-----------------------------|--------------------------------|-----------------------------|-----------------------|------------------------------|--------------------|---------------------|
| 0387 | 0601 | 1697 | 0810 | 0824 | 0825 | 0388 | |
| Texas Opportunity Fund | Student Loan Auxiliary Fund | Revenue Bond Student Loan Fund | Baylor COM Perm Health Fund | Nursing Allied Health | Minority Health Research/Edu | GO Bond Fund | Total |
| | | | | | | | \$ 51,654.81 |
| | | | | | | | 5,877,406.89 |
| | | | | | | | 924,635.74 |
| | | | | | | | 44,852,323.51 |
| | | | | | | | 53,491.74 |
| | | | | | | 118,069,431.80 | 118,069,431.80 |
| | | | | | | | 287,955.58 |
| | | | | | | | 335,229.00 |
| | | | | | | | 106,188.11 |
| | | | | | | | 152,223.00 |
| 160,136,234.19 | 1,147,218,806.33 | 900,421.93 | | | | | 1,308,255,462.45 |
| | | | | | | | 194,733.77 |
| | | | 14.13 | | | | 14.13 |
| | | | | | | | 6,925.40 |
| | | | | | 4,070,969.84 | | 4,070,969.84 |
| | | | | 5,747,720.70 | | | 5,747,720.70 |
| | | | | | | | 319,785.71 |
| | | | | | | | 117,674,428.52 |
| | | | | | | | 246,611,766.86 |
| | | | | | | | 11.81 |
| | | | | | | | 49,107.82 |
| | | | | | | | 100.00 |
| | | | | | | | 2,977,689.04 |
| | | | | | | | 888,615.01 |
| | | | | | | | 2,802,359.03 |
| | | | | | | | 21,655,785.67 |
| | | | | | | | 169,306.18 |
| | | | | | | | 483,737.93 |
| | | | | | | | 954,064.56 |
| | | | | | | | 188,767.60 |
| | | | | | | | 449,927.94 |
| | | | | | | | 1,147,347.14 |
| | | | | | | | 5,942.97 |
| | | | | | | | 17,500.00 |
| | | | | | | | 0.19 |
| | | | | | | | 1,426,059.90 |
| | | | | | | | 99,940.57 |
| | | | | | | | 149,000.00 |
| | | | | | | | 2,035,486.00 |
| | | | | | | | 1,907.84 |
| | | | | | | | 66,491.94 |
| | | | | | | | 1.50 |
| | | | | | | | 30,881.53 |
| | | | | | | | 2,721,411.02 |
| | | | | | | | 239,234.84 |
| | | | | | | | 13,772.57 |
| | | | | | | | 4,544,310.06 |
| | | | | | | | 6,784.34 |
| | | | | | | | 8,649,290.09 |
| | | | | | | | 182,228.00 |
| | | | | | | | 287,996.86 |
| | | | | | | | 863,541.33 |
| | | | | | | | 69,008.59 |
| | | | | | | | 179,599.86 |
| | | | | | | | 87,401.39 |
| 160,136,234.19 | 1,147,218,806.33 | 900,421.93 | 14.13 | 5,747,720.70 | 4,070,969.84 | 118,069,431.80 | \$ 1,907,036,958.68 |

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TEXAS HIGHER EDUCATION COORDINATING BOARD (781)
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: CAPITAL ASSETS

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

| | PRIMARY GOVERNMENT | | | |
|---|--------------------|---------------|-----------|-------------------|
| | Balance 9/1/2016 | Additions | Deletions | Balance 8/31/2017 |
| GOVERNMENTAL ACTIVITIES | | | | |
| Depreciable Assets | | | | |
| Furniture and Equipment | \$ 811,836.54 | 5,221.05 | - | 817,057.59 |
| Total Depreciable Assets | 811,836.54 | 5,221.05 | - | 817,057.59 |
| Less Accumulated Depreciation for: | | | | |
| Furniture and Equipment | (748,726.72) | (14,437.84) | - | (763,164.56) |
| Total Accumulated Depreciation | (748,726.72) | (14,437.84) | - | (763,164.56) |
| Depreciable Assets, Net | 63,109.82 | (9,216.79) | - | 53,893.03 |
| Governmental Activities Capital Assets, Net | \$ 63,109.82 | \$ (9,216.79) | \$ - | \$ 53,893.03 |

Note 3 - Deposits, Investments and Repurchase Agreements

Not Applicable.

NOTE 4: SHORT-TERM DEBT

Not Applicable.

NOTE 5: SUMMARY OF LONG-TERM LIABILITIES

CHANGES IN LONG-TERM LIABILITIES

During the year ended August 31, 2017, the following changes occurred in liabilities:

| Governmental Activities | Balance 09/01/2016 | Additions | Reductions | Other Changes | Balance 08/31/2017 | Amounts Due Within One Year |
|----------------------------------|--------------------|------------------|-------------------|-----------------|--------------------|-----------------------------|
| General Obligation Bonds Payable | \$983,045,381.03 | \$158,065,000.00 | (\$58,445,000.00) | \$10,204,789.60 | \$1,092,870,170.63 | \$71,196,840.95 |
| Compensable Leave | \$1,617,768.18 | \$1,539,250.97 | (\$1,457,668.25) | | \$1,699,350.90 | \$1,070,757.38 |
| Arbitrage Rebate Liability | \$7,001,227.66 | | (911,357.65) | | \$6,089,870.01 | |
| Total Governmental Activities | \$991,664,376.87 | \$159,604,250.97 | (\$60,814,025.90) | \$10,204,789.60 | \$1,100,659,391.54 | \$72,267,598.33 |

EMPLOYEES' COMPENSABLE LEAVE

A 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, provided the employee has had continuous employment with the State for six months. Expenditures for accumulated annual leave balances are recognized in the period paid or taken in governmental fund types. For these fund types, the liability for unpaid benefits is recorded in the Statement of Net Position. 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.

GENERAL OBLIGATION BONDS PAYABLE & ARBITRAGE REBATE LIABILITY

Information related to Arbitrage Rebate Liability can be found in Note 15 – Contingent Liabilities. For General Obligation Bonds Payable information, please refer to Note 6 - Bonded Indebtedness. Detailed Bond schedules are located in Schedule 2A-F.

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)
NOTES TO THE FINANCIAL STATEMENTS

NOTE 6: BONDED INDEBTEDNESS

A. BONDS PAYABLE

Detailed supplementary bond information is disclosed in Schedule 2-A - Miscellaneous Bond Information, Schedule 2-B - Changes in Bonded Indebtedness, Schedule 2-C - Debt Service Requirements, and Schedule 2-D - Analysis of Funds Available for Debt Service.

The THECB issues bonds for educational loans to eligible Texas college students. Payments received on the loan contracts are applied to the debt service on the bonds. As of August 31, 2017, bonds payable consisted of sixteen general obligation issues for student loans totaling \$1,020,215,000.00. Bond issue dates for all College Student Bonds range from June 28, 2007 to December 13, 2016.

The Texas Constitution limits the amount of bonds that can be issued by the THECB. As of August 31, 2017 the authorized but unissued bonds totaled \$1,115,275,153.00 in general obligation bonds.

General Obligation Bonds

All bonds are on a parity basis and are secured by the following pledged collateral:

1. All monies received from loan payments and the interest thereon
2. Bond proceeds, if required, and to the extent permitted by the Act
3. First monies coming into the Treasury of the State of Texas not otherwise appropriated by the Constitution, if necessary.

During FY 2017, the THECB sold \$158,065,000.00 State of Texas College Student Loan Bonds, Series 2016. They were issued as General Obligation Bonds, with a delivery date of December 13, 2016. The proceeds of the issue included a Net Original Issue Premium of \$21,930,089.60. Costs of Issuance totaled \$1,377,153.09, and were paid out of funds on hand. The proceeds from the Series 2016 Bonds will be used to fund an ongoing student loan program which provides low interest loans to eligible Texas college students.

B. EARLY EXTINGUISHMENT

The THECB did not refund any outstanding bonds during FY 2017.

NOTE 7: DERIVATIVE INSTRUMENTS

Not Applicable.

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TEXAS HIGHER EDUCATION COORDINATING BOARD (781)
NOTES TO THE FINANCIAL STATEMENTS

NOTE 8: OPERATING LEASES

Included in the expenditures reported in the financial statements are the following amounts of rent paid or due under operating leases obligations:

| Fund Type | Amount |
|--------------|--------------|
| General Fund | 1,484,523.30 |

The terms of the facility lease allows for the total monthly rent to be adjusted for changes in the Consumer Price Index (CPI) beginning on July 1, 2011 and every year thereafter. The future minimum lease rental payments presented below follow the straight line method in accordance with GASB.

Future minimum lease rental payments under non-cancelable operating leases having an initial term in excess of one year are as follows:

| Year Ended August 31: | Amount |
|--|----------------|
| 2018 | 1,426,556.59 |
| 2019 | 1,426,556.59 |
| 2020 | 1,426,556.59 |
| Total minimum future lease rental payments | \$4,279,669.77 |

NOTE 9: PENSION PLANS

Not Applicable.

NOTE 10: DEFERRED COMPENSATION

Not Applicable.

NOTE 11: POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

Not Applicable.

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TEXAS HIGHER EDUCATION COORDINATING BOARD (781)
NOTES TO THE FINANCIAL STATEMENTS

NOTE 12: INTERFUND BALANCES/ACTIVITIES

As explained in Note 1 on Interfund Activities and Balances there are numerous transactions between funds and agencies. At year-end amounts to be received or paid are reported as Interfund Receivable or Interfund Payable, Due From/Due To Other Agencies or Funds, Transfers In or Transfers Out or Legislative Transfers In or Legislative Transfers Out. Individual balances and activity at August 31, 2017, were as follows:

| <u>Interagency Balances:</u> | <u>Due From Other Agencies</u> | <u>Due To Other Agencies</u> |
|---|--------------------------------|------------------------------|
| GOVERNMENTAL FUNDS: | | |
| GENERAL FUND: | | |
| Fund 0001: | \$ 4,803,690.83 | \$ 8,030,595.63 |
| Fund 0802: | 132,111.70 | |
| PERMANENT FUND: | | |
| Fund 0810: | 517,886.49 | |
| Fund 0824: | 30,686.85 | 456,375.27 |
| Fund 0825: | | 644,403.67 |
| Total Due From/Due To Other Agencies (Exh I) | \$ 5,484,375.87 | \$ 9,131,374.57 |
| FIDUCIARY FUNDS: | | |
| PRIVATE PURPOSE TRUST FUND | | |
| Fund 0823: | 379,756.36 | |
| Total Due From/Due To Other Agencies (Exh VI) | \$ 379,756.36 | |
| Operating Transfers: | | |
| | <u>Transfers In</u> | <u>Transfers Out</u> |
| GOVERNMENTAL FUNDS: | | |
| GENERAL FUND: | | |
| Fund 0001: | \$ 14,915,261.94 | \$ 37,251,636.44 |
| Fund 5111: | 9,107,272.49 | |
| SPECIAL REVENUE FUND: | | |
| Fund 0387: | 36,041,515.24 | 34,672,832.02 |
| Fund 0601: | 4,337.96 | 110,255,674.10 |
| Fund 0697: | | 228,646.86 |
| DEBT SERVICE FUND: | | |
| Fund 0388: | 130,403,718.07 | 33,700,000.00 |
| PERMANENT FUND: | | |
| Fund 0824: | 1,639,896.56 | |
| Fund 0825: | 911,881.44 | |
| Total Operating Transfers In/Out (Exh II) | \$ 193,023,883.70 | \$ 216,108,789.42 |
| FIDUCIARY FUNDS: | | |
| PRIVATE PURPOSE TRUST FUND | | |
| Fund 0823: | 1,498,149.52 | |
| Total Transfers In/Out (Exh VII) | \$ 1,498,149.52 | |
| Legislative Transfers | | |
| GENERAL FUND: | | |
| Fund 0001: | | 241,200,000.00 |
| Total Legislative Transfers In/Out (Exh II) | \$ | \$ 241,200,000.00 |
| Interfund Payables/Receivables: | | |
| | <u>Interfund Receivable</u> | <u>Interfund Payable</u> |
| GOVERNMENTAL FUNDS: | | |
| GENERAL FUND: | | |
| Fund 0001: | \$ 19,989.49 | |
| Fund 0802: | | 19,989.49 |
| Total Interfund Payables and Receivables (Exh I) | \$ 19,989.49 | \$ 19,989.49 |

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)
NOTES TO THE FINANCIAL STATEMENTS

NOTE 13: CONTINUANCE SUBJECT TO REVIEW

Texas Education Code, Sec. 61.0211. SUNSET PROVISION. The Texas Higher Education Coordinating Board is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the board is abolished and this chapter expires September 1, 2025.

NOTE 14: ADJUSTMENTS TO FUND BALANCE AND NET POSITION

Restatements for Bond Issuance Costs:

An internal review identified a payment for bond issuance costs that should have been accrued in fiscal year 2016. The accounts were corrected subsequent to 8/31/2016. As a result, the agency restated the beginning fund balance for Exhibit B-2 in the amount of \$14,000.00.

For FY 2017, fund balances have been restated as follows:

| RESTATEMENTS BY GOVERNMENTAL FUND TYPE | | |
|--|----|----------------------------------|
| Restatements | | Special Revenue (Exhibit B-2) |
| Fund Bal/Net Assets-September 1, 2016 | \$ | 1,197,686,123.37 |
| Restatements | | (14,000.00) |
| Fund Bal/Net Assets-September 1, 2016, as restated | \$ | 1,197,672,123.37 |

NOTE 15: CONTINGENT LIABILITIES

Unpaid Claims and Lawsuits:

A number of claims against THECB are pending with respect to various matters arising in the normal course of THECB's operations. Legal counsel and THECB's management are of the opinion that settlement of these claims and pending litigation will not have a material effect on THECB's financial statements.

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

Federal and State Financial Assistance Programs:

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

Arbitrage:

Bonds issued after 1986 are subject to arbitrage rebate requirements imposed by section 148 (f) of the Internal Revenue Code of 1986. That provision of the Code requires that any excess earnings from the investment of proceeds of a tax-exempt bond, be rebated to the federal government no later than every five years after the date of issue. In effect, any excess amounts, i.e., earnings that represent a yield higher than the yield on the bonds, will be required to be repaid to the United States government.

It is estimated that \$6,089,870.01 in excess earnings may become due to the federal government at some point in the future. This estimate, however, does not take into account predictions of the next year's activity. Therefore, at the time payment is due to the United States government, it is probable that this figure will have changed and cannot be reasonably determined at this time what amount, if any, may be due.

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)
NOTES TO THE FINANCIAL STATEMENTS

NOTE 16: SUBSEQUENT EVENTS

The agency expects to close on a \$170 million new money general obligation bond issue to fund an ongoing student loan program which provides low interest loans to eligible Texas college students. The bonds will be titled, "College Student Loan Bond Series 2017", and will have an anticipated closing date of December 28, 2017.

| Bond Issuance | Series | Estimated Issue Amount | Expected Date of Issuance | Purpose |
|--------------------------|--------|------------------------|---------------------------|-----------------------------------|
| General Obligation Bonds | 2017 | \$170,000,000 | 12/28/2017 | Fund ongoing student loan program |

The agency expects to receive funding for the Graduate Medical Education program that will provide about \$10.8M annually.

Proposed federal budget changes could affect the tax benefits to investors of Private Activity Bonds. The removal of tax benefits could become effective on January 1, 2018 and require THECB to issue taxable bonds. If the tax benefit was removed, then THECB bonds issued after the effective date could carry higher interest rates.

NOTE 17: RISK MANAGEMENT

THECB is exposed to a variety of potential civil claims and assumes certain risks associated with tort and liability claims resulting from the performance of its duties. It is agency policy to periodically assess the proper combination of commercial insurance and assumption of risk to address potential liability claims. In fiscal year 2017, THECB purchased commercial insurance for properties automobiles.

Workers' compensation claims are paid in accordance with the provisions of the State Office of Risk Management, through an assessment payment in a closed and non-voluntary pool of risks with other agencies. THECB's assessment for fiscal year 2017 was \$21,426.80. For unemployment compensation claims, the State, and THECB by extension, is generally self-insured, and funds such liabilities on a pay-as-you-go basis. THECB's unemployment compensation total payments for fiscal year 2017 were \$7,430.17.

THECB'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 will be reevaluated periodically taking into account current settlements, frequency of claims, past experience, and economic factors.

In fiscal year 2017, THECB had Arbitrage Rebate liability under the Claims and Judgment category per the Comptroller's requirements. Below is a table representing a roll-forward schedule of this liability account.

| Type | Beginning Balance | Increases | Decreases | Ending Balance |
|----------------------------|-------------------|-----------|--------------|----------------|
| Arbitrage Rebate Liability | 7,001,227.66 | | (911,357.65) | 6,089,870.01 |

NOTE 18: MANAGEMENT DISCUSSION AND ANALYSIS

The THECB issued one bond series in FY 2017 for a total par value of \$158,065,000.00. For details related to this bond series, please refer to Note 6 – Bonded Indebtedness within the Notes to the Financial Statements.

NOTE 19: THE FINANCIAL REPORTING ENTITY

The College for All Texans (CFAT) Foundation is a Texas non-profit organization that is organized to support THECB program initiatives. CFAT is a legally separate, fiscally independent entity for which the THECB appoints a voting majority of the board, but the THECB is not financially accountable to the foundation nor can it impose its will on CFAT. There is no financial benefit or burden relationship between THECB and the foundation, therefore, CFAT has been classified as a related organization.

NOTE 20: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Not Applicable.

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TEXAS HIGHER EDUCATION COORDINATING BOARD (781)
NOTES TO THE FINANCIAL STATEMENTS

NOTE 22: DONOR RESTRICTED ENDOWMENTS

Not Applicable.

NOTE 23: EXTRAORDINARY AND SPECIAL ITEMS

Not Applicable.

NOTE 24: DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

Not Applicable.

NOTE 25: TERMINATION BENEFITS

Not Applicable.

NOTE 26: TERMINATION BENEFITS

Not Applicable.

NOTE 27: SERVICE CONCESSION ARRANGEMENTS

Not Applicable.

NOTE 28: DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

Not Applicable.

NOTE 29: TROUBLED DEBT RESTRUCTURING

Not Applicable.

NOTE 30: NON-EXCHANGE FINANCIAL GUARANTEES

Not Applicable.

NOTE 31: TAX ABATEMENTS

Not Applicable.

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TEXAS HIGHER EDUCATION COORDINATING BOARD (781)
NOTES TO THE FINANCIAL STATEMENTS

NOTE 32: FUND BALANCES

The agency has the following restrictions/covenants causing GASB 54 fund balances to be classified as follows:

| GAAP Fund | Fund | AFR 54 Class | Citation | Comments |
|-----------|------|--|--|---|
| 0001 | 0001 | Assigned | | Petty Cash |
| 0001 | 0001 | Assigned | 84th Leg, GAA, Art III, Rider 9 | Common Application funds collected can only be used for the programs specific purpose. |
| 0001 | 0001 | Assigned | 84th Leg, GAA, Art IX, Sec 8.07 | Conference fund proceeds can only be used to reimburse costs for this self-supporting, agency specific program. |
| 0001 | 0001 | Nonspendable - LT Contract and Receivables | 84th Leg, GAA, Art III, Rider 33 | Non current portion of loan receivables representing future loan repayments. |
| 0001 | 0001 | Nonspendable - LT Contract and Receivables | 84th Leg, GAA, Art III, Rider 40 | Non current portion of loan receivables representing future loan repayments. |
| 0001 | 0001 | Nonspendable - LT Contract and Receivables | 84th Leg, GAA, Art III, Texas Education Code 56.0092 | Non current portion of loan receivables representing future loan repayments. |
| 0001 | 0001 | Nonspendable - Prepays | 84th Leg, GAA, Art III. | Prepaid postage to support the agency's loan program. |
| 0001 | 0001 | Restricted | Art IX, Section 8.01 Acceptance of Gifts of Money. | Donor restricts use of funds for program-specific purposes only. |
| 0001 | 0001 | Restricted | Art IX, Section 8.01 Acceptance of Gifts of Money; Texas Education Code 61.5391. | Donor restricts use of funds for program-specific purposes only. |
| 0001 | 0001 | Restricted | Federal CFDA 17.258 | Federal funds, restrictions are externally imposed by federal government agencies. |
| 0001 | 0001 | Restricted | Federal CFDA 84.048 | Federal funds, restrictions are externally imposed by federal government agencies. |
| 0001 | 0001 | Restricted | Federal CFDA 84.305H | Federal funds, restrictions are externally imposed by federal government agencies. |
| 0001 | 0001 | Restricted | Federal CFDA 84.367 | Federal funds, restrictions are externally imposed by federal government agencies. |
| 0001 | 0001 | Restricted | HB 2910; Art IX, Section 8.01 Acceptance of Gifts of Money. | Donor restricts use of funds for program-specific purposes only. |
| 0810 | 0810 | Committed | 84th Leg, GAA, Art III; Art IX, Part 4; Tex Educ. Code Ann §63.001 | Restrained for use by Education Code. |
| 0824 | 0824 | Committed | 84th Leg, GAA, Art III; Tex Educ. Code Ann §63.201 | Restrained for use by Education Code. |
| 0825 | 0825 | Committed | 84th Leg, GAA, Art III; Tex Educ. Code Ann §63.301 | Restrained for use by Education Code. |

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TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT A-1
COMBINING BALANCE SHEET
ALL GENERAL AND CONSOLIDATED FUNDS
For the Year Ended August 31, 2017

| | General (0001) (Note A) | Consolidated Funds | |
|--|-------------------------------|---|--|
| | | License Plate Trust Fund (0802) U/F (0802) | Texas B-On-Time (5103) U/F (5103) |
| ASSETS | | | |
| Current Assets: | | | |
| Cash: | | | |
| Shared Funds | \$ | \$ | \$ |
| On Hand | 100.00 | | |
| In State Treasury | | | 131,593,242.97 |
| Legislative Appropriations | 55,653,835.82 | | |
| Receivable From: | | | |
| Accounts Receivable | 879,194.63 | 22.00 | 10,394.95 |
| Federal | 6,112,141.00 | | |
| Interest and Dividends (net of Allowance for Doubtful Accounts of \$280,826.94) | 59,514.66 | 156.26 | 10.55 |
| Due From Other Agencies (Note 12) | 4,803,690.83 | 132,111.70 | |
| Interfund Receivable | 19,989.49 | | |
| Prepaid Items | 51,654.81 | | |
| Loans & Contracts (net of Allowance for Doubtful Accounts of \$2,481,146.58) | 5,030,254.54 | | |
| Restricted | | | |
| Loans & Contracts (net of Allowance for Doubtful Accounts of \$3,641,336.33) | | | 10,315,854.31 |
| Total Current Assets | 72,610,375.78 | 132,289.96 | 141,919,502.78 |
| Non-Current Assets: | | | |
| Receivable From: | | | |
| Interest and Dividends (net of Allowance for Doubtful Accounts of \$1,255,119.88) | 603,994.43 | | |
| Loans & Contracts (net of Allowance for Doubtful Accounts of \$25,180,327.27) | 51,050,371.71 | | |
| Restricted: | | | |
| Receivable From: | | | |
| Interest and Dividends (net of Allowance for Doubtful Accounts of \$1,594,898.84) | | | 107.11 |
| Loans & Contracts (net of Allowance for Doubtful Accounts of \$36,954,705.17) | | | 104,692,156.97 |
| Total Non-Current Assets | 51,654,366.14 | | 104,692,264.08 |
| TOTAL ASSETS | \$ 124,264,741.92 | \$ 132,289.96 | \$ 246,611,766.86 |
| LIABILITIES AND FUND BALANCES | | | |
| Current Liabilities: | | | |
| Payables from: | | | |
| Accounts - Vendors | \$ 269,614.90 | \$ | \$ |
| Accounts - Grants and Loans | 7,849,811.86 | 105,375.07 | |
| Payroll | 1,834,266.26 | | |
| Due To Other Agencies (Note 12) | 8,030,595.63 | | |
| Interfund Payable | | 19,989.49 | |
| Total Liabilities | 17,984,288.65 | 125,364.56 | |

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT A-1
 COMBINING BALANCE SHEET
 ALL GENERAL AND CONSOLIDATED FUNDS
 For the Year Ended August 31, 2017

| Trauma Facility And EMS (5111) U/F (5111) | Physician Ed LRP (5144) U/F (5144) | TOTALS (Exhibit I) |
|--|---|-----------------------|
| \$ | \$ 22,423.38 | \$ 22,423.38 |
| | | 100.00 |
| | 117,971,790.85 | 249,565,033.82 |
| | | 55,653,835.82 |
| | | 889,611.58 |
| | | 6,112,141.00 |
| | | 59,681.47 |
| | | 4,935,802.53 |
| | | 19,989.49 |
| | | 51,654.81 |
| | | 5,030,254.54 |
| | | 10,315,854.31 |
| | | 603,994.43 |
| | | 51,050,371.71 |
| | | 107.11 |
| | | 104,692,156.97 |
| | | 156,346,630.22 |
| \$ | \$ 117,994,214.23 | \$ 489,003,012.97 |
| \$ | \$ | \$ 269,614.90 |
| | | 7,955,186.93 |
| | | 1,834,266.26 |
| | | 8,030,595.63 |
| | | 19,989.49 |
| | | 18,109,653.21 |

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TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT A-1
 COMBINING BALANCE SHEET
 ALL GENERAL AND CONSOLIDATED FUNDS
 For the Year Ended August 31, 2017

| | General (0001) (Note A) | Consolidated Funds | |
|---|-------------------------------|---|--|
| | | License Plate Trust Fund (0802) U/F (0802) | Texas B-On-Time (5103) U/F (5103) |
| FUND FINANCIAL STATEMENT-FUND BALANCES | | | |
| Fund Balances (Deficits): | | | |
| Nonspendable-Prepaid Items | 51,654.81 | | |
| Nonspendable-LT Contract and Receivables | 51,654,366.14 | | |
| Restricted | 1,129,821.20 | | |
| Committed | | 6,925.40 | 246,611,766.86 |
| Assigned | 49,219.63 | | |
| Unassigned | 53,395,391.49 | | |
| Total Fund Balances | 106,280,453.27 | 6,925.40 | 246,611,766.86 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 124,264,741.92 | \$ 132,289.96 | \$ 246,611,766.86 |

The accompanying notes to the financial statements are an integral part of this financial statement.

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT A-1
COMBINING BALANCE SHEET
ALL GENERAL AND CONSOLIDATED FUNDS
For the Year Ended August 31, 2017

| <u>Trauma Facility And EMS (5111) U/F (5111)</u> | <u>Physician Ed LRP (5144) U/F (5144)</u> | <u>TOTALS (Exhibit I)</u> |
|--|---|-------------------------------|
| | | 51,654.81 |
| | | 51,654,366.14 |
| | | 1,129,821.20 |
| | 117,994,214.23 | 364,612,906.49 |
| | | 49,219.63 |
| | | 53,395,391.49 |
| | <u>117,994,214.23</u> | <u>470,893,359.76</u> |
| <u>\$</u> | <u>\$ 117,994,214.23</u> | <u>\$ 489,003,012.97</u> |

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT A-2
COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES
IN FUND BALANCES-ALL GENERAL AND CONSOLIDATED FUNDS
For the Year Ended August 31, 2017

| | General (0001) (Note A) | Consolidated Funds | |
|--|-------------------------------|---|--|
| | | License Plate Trust Fund (0802) U/F (0802) | Texas B-On-Time (5103) U/F (5103) |
| REVENUES | | | |
| Legislative Appropriations: | | | |
| Original Legislative Appropriation Revenue | \$ 1,818,133,121.01 | \$ | \$ |
| Additional Legislative Appropriation Revenue | 2,720,448.81 | | |
| Federal Revenues | 3,829,171.12 | | |
| Federal Grant Pass-Through Revenues | 26,304,729.28 | | |
| State Grant Pass-Through Revenues | (6,271.12) | | |
| Licenses, Fees and Permits | 744,532.86 | 141,803.75 | 1,275,190.57 |
| Interest and Investment Income | 800,530.59 | 1,444.69 | 582,047.70 |
| Other Revenues | 2,423,811.98 | | |
| Total Revenues | 1,854,950,074.53 | 143,248.44 | 1,857,238.27 |
| EXPENDITURES | | | |
| Salaries & Wages | 16,471,143.48 | | 13.74 |
| Payroll Related Costs | 4,852,762.81 | | 2,147.58 |
| Professional Fees & Services | 3,407,769.58 | | 308,000.00 |
| Travel | 134,329.63 | | |
| Materials & Supplies | 780,923.51 | | |
| Communication & Utilities | 403,560.74 | | |
| Repairs & Maintenance | 428,823.59 | | |
| Rentals & Leases | 1,826,366.71 | | 592,000.00 |
| Printing & Reproduction | 201.02 | | |
| Federal Grant Pass-Through Expenditures | 5,541,013.56 | | |
| State Grant Pass-Through Expenditures | 451,099,684.82 | | |
| Intergovernmental Payments | 1,072,114,406.39 | 205,495.27 | |
| Public Assistance Payments | 22,499,825.21 | 51,113.40 | |
| Other Expenditures | 15,131,463.52 | | 20,543,404.92 |
| Capital Outlays | 5,221.05 | | |
| Total Expenditures | 1,594,697,495.62 | 256,608.67 | 21,445,566.24 |
| Excess (Deficiency) Of Revenues Over Expenditures | 260,252,578.91 | (113,360.23) | (19,588,327.97) |

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT A-2
 COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES
 IN FUND BALANCES-ALL GENERAL AND CONSOLIDATED FUNDS
 For the Year Ended August 31, 2017

| Consolidated Funds | | | |
|--|---|----|-------------------------|
| Trauma Facility And EMS (5111) U/F (5111) | Physician Ed LRP (5144) U/F (5144) | | TOTALS (Exhibit II) |
| \$ | \$ | \$ | 1,818,133,121.01 |
| | | | 2,720,448.81 |
| | | | 3,829,171.12 |
| | | | 26,304,729.28 |
| | | | (6,271.12) |
| | | | 2,161,527.18 |
| | | | 1,384,022.98 |
| | | | 2,423,811.98 |
| | | | <u>1,856,950,561.24</u> |
| (35,520.51) | | | 16,435,636.71 |
| (9,929.84) | | | 4,844,980.55 |
| 4,808.02 | | | 3,720,577.60 |
| 610.08 | | | 134,939.71 |
| 1,723.55 | | | 782,647.06 |
| | | | 403,560.74 |
| 538.20 | | | 429,361.79 |
| | | | 2,418,366.71 |
| | | | 201.02 |
| | | | 5,541,013.56 |
| 5,961,003.00 | | | 457,060,687.82 |
| 811,918.00 | | | 1,073,131,819.66 |
| 2,371,633.00 | 14,843,480.59 | | 39,766,052.20 |
| 488.99 | | | 35,675,357.43 |
| | | | 5,221.05 |
| <u>9,107,272.49</u> | <u>14,843,480.59</u> | | <u>1,640,350,423.61</u> |
| <u>(9,107,272.49)</u> | <u>(14,843,480.59)</u> | | <u>216,600,137.63</u> |

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TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT A-2
 COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES
 IN FUND BALANCES-ALL GENERAL AND CONSOLIDATED FUNDS
 For the Year Ended August 31, 2017

| | General (0001) (Note A) | Consolidated Funds | |
|---|-------------------------------|---|--|
| | | License Plate Trust Fund (0802) U/F (0802) | Texas B-On-Time (5103) U/F (5103) |
| OTHER FINANCING SOURCES (USES) | | | |
| Appropriations Lapsed | \$ (1,935,878.58) | \$ | \$ |
| Transfers In (Note 12) | 14,915,261.94 | | |
| Transfers Out (Note 12) | (37,251,636.44) | | |
| Legislative Transfers Out (Note 12) | (241,200,000.00) | | |
| Total Other Financing Sources (Uses) | (265,472,253.08) | | |
| Net Change in Fund Balances/Net Assets | (5,219,674.17) | (113,360.23) | (19,588,327.97) |
| Fund Financial Statement-Fund Balances | | | |
| Fund Balances-September 1, 2016 | 111,500,127.44 | 120,285.63 | 266,200,094.83 |
| FUND BALANCES - August 31, 2017 | \$ 106,280,453.27 | \$ 6,925.40 | \$ 246,611,766.86 |

The accompanying notes to the financial statements are an integral part of this financial statement

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT A-2

COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES
IN FUND BALANCES-ALL GENERAL AND CONSOLIDATED FUNDS

For the Year Ended August 31, 2017

| Consolidated Fund: | | |
|--|---|-------------------------|
| Trauma Facility And EMS (5111) U/F (5111) | Physician Ed LRP (5144) U/F (5144) | TOTALS (Exhibit II) |
| \$ | \$ | \$ |
| 9,107,272.49 | | (1,935,878.58) |
| | | 24,022,534.43 |
| | | (37,251,636.44) |
| | | (241,200,000.00) |
| <u>9,107,272.49</u> | | <u>(256,364,980.59)</u> |
| | (14,843,480.59) | (39,764,842.96) |
| | <u>132,837,694.82</u> | <u>510,658,202.72</u> |
| \$ | \$ | \$ |
| | 117,994,214.23 | 470,893,359.76 |

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT B-1

COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS

For the Year Ended August 31, 2017

| | Texas Opportunity Plan Fund (0387) (Note A) | Student Loan Auxiliary Fund (0601) (Note B) | Revenue Bond Student Loan Fund (0697) U/F (1697) | Suspense Fund Fund (0900) U/F (1900) | TOTALS (Exhibit I) |
|---|---|---|---|--|----------------------------|
| ASSETS | | | | | |
| Current Assets: | | | | | |
| Cash: | | | | | |
| Shared Funds | \$ | \$ | \$ | \$ 681,147.72 | \$ 681,147.72 |
| In State Treasury | 31,342,454.66 | 120,589,812.46 | 87,908.91 | | 152,020,176.03 |
| Receivables from: | | | | | |
| Accounts Receivable | 322,602.08 | 11,907.56 | | | 334,509.64 |
| Interest and Dividends | 1,108,677.20 | 8,030,766.23 | 11,246.71 | | 9,150,690.14 |
| (Less Allowance for Doubtful Accounts of (\$5,046,378.14)) | | | | | |
| Due From Other Funds (Note 12) | | | | | - |
| Due From Other Agencies (Note 12) | | | | | |
| Restricted: | | | | | |
| Loans and Contracts | 10,417,969.47 | 84,053,534.55 | 61,633.13 | | 94,533,137.15 |
| (Less Allowance for Doubtful Accounts of (\$14,636,674.50)) | | | | | |
| Total Current Assets | 43,191,703.41 | 212,686,020.80 | 160,788.75 | 681,147.72 | 256,719,660.68 |
| Non-Current Assets: | | | | | |
| Restricted: | | | | | |
| Receivable from: | | | | | |
| Interest and Dividends | 11,251,083.59 | 81,501,561.75 | 114,139.12 | | 92,866,784.46 |
| (Less Allowance for Doubtful Accounts of (\$51,214,004.90)) | | | | | |
| Loans and Contracts | 105,728,489.63 | 853,031,223.78 | 625,494.06 | | 959,385,207.47 |
| (Less Allowance for Doubtful Accounts of (\$148,542,716.78)) | | | | | |
| Total Non-Current Assets | 116,979,573.22 | 934,532,785.53 | 739,633.18 | | 1,052,251,991.93 |
| TOTAL ASSETS | \$ 160,171,276.63 | \$ 1,147,218,806.33 | \$ 900,421.93 | \$ 681,147.72 | \$ 1,308,971,652.61 |
| LIABILITIES AND FUND BALANCES | | | | | |
| Current Liabilities: | | | | | |
| Payables from: | | | | | |
| Accounts - Grants and Loans | \$ 35,042.44 | \$ | \$ | \$ 681,147.72 | \$ 716,190.16 |
| Due To Other Funds (Note 12) | | | | | - |
| Total Liabilities | 35,042.44 | | | 681,147.72 | 716,190.16 |
| FUND FINANCIAL STATEMENT-FUND BALANCES | | | | | |
| FUND BALANCES (DEFICITS): | | | | | |
| Restricted | 160,136,234.19 | 1,147,218,806.33 | 900,421.93 | | 1,308,255,462.45 |
| Total Fund Balances | 160,136,234.19 | 1,147,218,806.33 | 900,421.93 | | 1,308,255,462.45 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 160,171,276.63 | \$ 1,147,218,806.33 | \$ 900,421.93 | \$ 681,147.72 | \$ 1,308,971,652.61 |

Note A: Includes USAS fund numbers 0300, 0387, 0900, 1387, 2387, and 3387.

Note B: Includes USAS fund numbers 0601, 1601, 2601, 3601, 4601, 5601, 6010, 6011, 6012, 6013, 6014, 6015, 6016, 6017, 6018, 6019, 6020, 6021, 6022, 6023, 6024, 6025, 6026, 6027, 6028, 6029, 6030, 6031, 6601, & 7601.

The accompanying notes to the financial statements are an integral part of this financial statement.

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT B-2
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - SPECIAL REVENUE FUNDS
 For the Year Ended August 31, 2017

| | Texas Opportunity Plan Fund (0387) (Note A) | Student Loan Auxiliary Fund (0601) (Note B) | Revenue Bond Student Loan Fund (0697) U/F (1697) | Suspense Fund Fund (0900) U/F (1900) | TOTALS (Exhibit II) |
|--|---|---|---|--|----------------------------|
| REVENUES | | | | | |
| Federal Revenues | \$ 7,626.66 | \$ 18,458.38 | \$ 1,397.85 | \$ | \$ 27,482.89 |
| Licenses, Fees & Permits | 420,923.98 | 3,408,518.54 | 7,240.22 | | 3,836,682.74 |
| Interest and Investment Income | 10,593,470.24 | 52,262,376.67 | 191,345.20 | | 63,047,192.11 |
| Total Revenues | 11,022,020.88 | 55,689,353.59 | 199,983.27 | | 66,911,357.74 |
| EXPENDITURES | | | | | |
| State Grant Pass-Through Expenditures | 5,000.00 | | | | 5,000.00 |
| Other Expenditures | 5,009,197.14 | 20,026,933.67 | 138,824.20 | | 25,174,955.01 |
| Debt Service Principal | | 250,405.17 | | | 250,405.17 |
| Debt Service Interest | | 377,645.21 | | | 377,645.21 |
| Other Financing Fees | 267,157.67 | 1,136,645.42 | | | 1,403,803.09 |
| Total Expenditures | 5,281,354.81 | 21,791,629.47 | 138,824.20 | | 27,211,808.48 |
| Excess (Deficiency) of Revenues Over Expenditures | 5,740,666.07 | 33,897,724.12 | 61,159.07 | | 39,699,549.26 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Bond and Note Proceeds | | 158,065,000.00 | | | 158,065,000.00 |
| Premium on Sale of Bonds | | 21,930,089.60 | | | 21,930,089.60 |
| Transfers In (Note 12) | 36,041,515.24 | 4,337.96 | | | 36,045,853.20 |
| Transfers Out (Note 12) | (34,672,832.02) | (110,255,674.10) | (228,646.86) | | (145,157,152.98) |
| Total Other Financing Sources (Uses) | 1,368,683.22 | 69,743,753.46 | (228,646.86) | | 70,883,789.82 |
| Net Change in Fund Balances/Net Assets | 7,109,349.29 | 103,641,477.58 | (167,487.79) | | 110,583,339.08 |
| Fund Financial Statement-Fund Balances | | | | | |
| Fund Balances-September 1, 2016 | 153,040,884.90 | 1,043,577,328.75 | 1,067,909.72 | | 1,197,686,123.37 |
| Restatements (Note 14) | (14,000.00) | | | | (14,000.00) |
| Fund Balances-September 1, 2016, as Restated | 153,026,884.90 | 1,043,577,328.75 | 1,067,909.72 | | 1,197,672,123.37 |
| FUND BALANCES - August 31, 2017 | \$ 160,136,234.19 | \$ 1,147,218,806.33 | \$ 900,421.93 | \$ | \$ 1,308,255,462.45 |

Note A: Includes USAS fund numbers 0300, 0387, 0900, 1387, 2387, and 3387.

Note B: Includes USAS fund numbers 0601, 1601, 2601, 3601, 4601, 5601, 6010, 6011, 6012, 6013, 6014, 6015, 6016, 6017, 6018, 6019, 6020, 6021, 6022, 6023, 6024, 6025, 6026, 6027, 6028, 6029, 6030, 6031, 6601, & 7601.

The accompanying notes to the financial statements are an integral part of this financial statement.

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT C-1

COMBINING BALANCE SHEET - DEBT SERVICE FUNDS

For the Year Ended August 31, 2017

| | GO Bond Fund (0388) <u>(Note A)</u> |
|---|--|
| ASSETS | |
| Current Assets: | |
| Cash: | |
| In State Treasury | \$ 117,493,989.87 |
| Receivables from: | |
| Accounts Receivable | 256,963.70 |
| Interest and Dividends | <u>318,478.23</u> |
| Total Current Assets | <u>118,069,431.80</u> |
| TOTAL ASSETS | <u>\$ 118,069,431.80</u> |
| LIABILITIES AND FUND BALANCES | |
| Liabilities | |
| Current Liabilities: | |
| Payables from: | |
| Accounts - Grants and Loans | <u>\$</u> |
| Total Liabilities | <u></u> |
| FUND FINANCIAL STATEMENT-FUND BALANCES | |
| FUND BALANCES (DEFICITS): | |
| Restricted | <u>118,069,431.80</u> |
| Total Fund Balances | <u>118,069,431.80</u> |
| Total Liabilities and Fund Balances | <u>\$ 118,069,431.80</u> |

Note A: Includes USAS fund numbers 0388, 1388, 2388, 3388, 3800, 3801, 3804, 3806, 3808, 3811, 3813, 3814, 3815, 3816, 3880, 3881, 3882, 3883, 3884, 3885, 3886, 3887, 3888, 3889, 4388, 5388, 6388, and 7388.

The accompanying notes to the financial statements are an integral part of this financial statement.

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT C-2

**COMBINING STATEMENT OF REVENUES, EXPENDITURES &
CHANGES IN FUND BALANCES - DEBT SERVICE FUNDS**

For the Year Ended August 31, 2017

| | <u>GO Bond Fund (0388) (Note A)</u> |
|--|---|
| REVENUES | |
| Federal Revenues | 18,035.25 |
| Interest and Investment Income | <u>\$ 3,625,240.81</u> |
| Total Revenues | <u>3,643,276.06</u> |
| EXPENDITURES | |
| Debt Service: | |
| Principal | 58,194,594.83 |
| Interest | <u>49,916,589.81</u> |
| Total Expenditures | <u>108,111,184.64</u> |
| Excess (Deficiency) Of Revenues Over Expenditures | <u>(104,467,908.58)</u> |
| OTHER FINANCING SOURCES (USES) | |
| Transfers In (Note 12) | 130,403,718.07 |
| Transfers Out (Note 12) | <u>(33,700,000.00)</u> |
| Total Other Financing Sources (Uses) | <u>96,703,718.07</u> |
| Net Change in Fund Balances\Net Assets | (7,764,190.51) |
| FUND BALANCES (DEFICITS): | |
| Fund Balances-September 1, 2016 | <u>125,833,622.31</u> |
| FUND BALANCES - August 31, 2017 | <u>\$ 118,069,431.80</u> |

Note A: Includes USAS fund numbers 0388, 1388, 2388, 3388, 3800, 3801, 3804, 3806, 3808, 3811, 3813, 3814, 3815, 3816, 3880, 3881, 3882, 3883, 3884, 3885, 3886, 3887, 3888, 3889, 4388, 5388, 6388, and 7388.

The accompanying notes to the financial statements are an integral part of this financial statement.

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT E-1

COMBINING BALANCE SHEET - PERMANENT FUNDS

For the Year Ended August 31, 2017

| | Baylor COM Perm Health Fund Fund (0810) U/F (0810) | Perm Fd Hi Ed Nursing/Allied/ Other Health Fund (0824) U/F (0824) | Perm Fd Minority Health Research/ Education Fund (0825) U/F (0825) | TOTALS (Exhibit I) |
|---|--|---|--|-------------------------|
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash: | | | | |
| In State Treasury | \$ | \$ 6,166,398.45 | \$ 4,756,380.82 | \$ 10,922,779.27 |
| Receivable From: | | | | |
| Interest & Dividends | 14.13 | 7,010.67 | 5,241.00 | 12,265.80 |
| Due From Other Agencies (Note 12) | 517,886.49 | 30,686.85 | | 548,573.34 |
| Total Current Assets | 517,900.62 | 6,204,095.97 | 4,761,621.82 | 11,483,618.41 |
| Total Assets | \$ 517,900.62 | \$ 6,204,095.97 | \$ 4,761,621.82 | \$ 11,483,618.41 |
| LIABILITIES AND FUND BALANCES | | | | |
| LIABILITIES | | | | |
| Current Liabilities: | | | | |
| Payables from: | | | | |
| Accounts - Grants and Loans | \$ 517,886.49 | \$ | \$ 46,248.31 | \$ 564,134.80 |
| Due To Other Agencies (Note 12) | | 456,375.27 | 644,403.67 | 1,100,778.94 |
| Total Current Liabilities | 517,886.49 | 456,375.27 | 690,651.98 | 1,664,913.74 |
| Total Liabilities | 517,886.49 | 456,375.27 | 690,651.98 | 1,664,913.74 |
| FUND FINANCIAL STATEMENT-FUND BALANCES | | | | |
| FUND BALANCES (DEFICITS): | | | | |
| Committed | 14.13 | 5,747,720.70 | 4,070,969.84 | 9,818,704.67 |
| Total Fund Balances | 14.13 | 5,747,720.70 | 4,070,969.84 | 9,818,704.67 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 517,900.62 | \$ 6,204,095.97 | \$ 4,761,621.82 | \$ 11,483,618.41 |

The accompanying notes to the financial statements are an integral part of this financial statement.

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT E-2
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - PERMANENT FUNDS

For the Year Ended August 31, 2017

| | Baylor COM Perm Health Fund Fund (0810) U/F (0810) | Perm Fd Hi Ed Nursing/Allied/ Other Health Fund (0824) U/F (0824) | Perm Fd Minority Health Research/ Education Fund (0825) U/F (0825) | TOTALS (Exhibit II) |
|--|--|---|--|------------------------|
| REVENUES | | | | |
| Interest and Investment Income | \$ 2,072,357.13 | \$ 68,855.56 | \$ 51,156.77 | \$ 2,192,369.46 |
| Total Revenues | 2,072,357.13 | 68,855.56 | 51,156.77 | 2,192,369.46 |
| EXPENDITURES | | | | |
| State Grant Pass-Through Expenditures | | 1,401,011.30 | 1,525,327.73 | 2,926,339.03 |
| Intergovernmental Payments | 2,072,350.25 | 433,439.84 | 55,143.42 | 2,560,933.51 |
| Public Assistance Payments | | 723.66 | | 723.66 |
| Total Expenditures | 2,072,350.25 | 1,835,174.80 | 1,580,471.15 | 5,487,996.20 |
| Excess (Deficiency) of Revenues Over Expenditures | 6.88 | (1,766,319.24) | (1,529,314.38) | (3,295,626.74) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In (Note 12) | | 1,639,896.56 | 911,881.44 | 2,551,778.00 |
| Total Other Financing Sources (Uses) | | 1,639,896.56 | 911,881.44 | 2,551,778.00 |
| Net Change in Fund Balances/Net Assets | 6.88 | (126,422.68) | (617,432.94) | (743,848.74) |
| Fund Financial Statement-Fund Balances | | | | |
| Fund Balances-September 1, 2016 | 7.25 | 5,874,143.38 | 4,688,402.78 | 10,562,553.41 |
| FUND BALANCES - August 31, 2017 | \$ 14.13 | \$ 5,747,720.70 | \$ 4,070,969.84 | \$ 9,818,704.67 |

The accompanying notes to the financial statements are an integral part of this financial statement.

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT J-1
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 For the Year Ended August 31, 2017

| UNAPPROPRIATED RECEIPTS <u>Child Support Deds-Suspense</u> <u>Fund (0807) (U/F 8070)</u> | Balance September 1, 2016 | Additions | Deductions | Ending Balance August 31, 2017 |
|---|---------------------------------|---------------------|---------------------|---|
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash in State Treasury | \$ 3,246.00 | \$ 40,331.94 | \$ 40,167.45 | \$ 3,410.49 |
| TOTAL ASSETS | \$ 3,246.00 | \$ 40,331.94 | \$ 40,167.45 | \$ 3,410.49 |
| LIABILITIES | | | | |
| Current Liabilities: | | | | |
| Funds Held for Others | \$ 3,246.00 | \$ 40,331.94 | \$ 40,167.45 | \$ 3,410.49 |
| TOTAL LIABILITIES | \$ 3,246.00 | \$ 40,331.94 | \$ 40,167.45 | \$ 3,410.49 |

The accompanying notes to the financial statements are an integral part of this financial statement.

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TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 1-A
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended August 31, 2017

| FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE | CFDA Number | Agy/ Univ # | Pass-Through From | |
|--|----------------|----------------|-------------------------------|---------------------------------|
| | | | Agencies or Univ Amount | Non-State Entities Amount |
| Non-clustered Programs | | | \$ | \$ |
| U.S. Dept. of Education | | | | |
| Direct Programs: | | | | |
| Improving Teacher Quality State Grants | 84.367 | | | |
| State Agency Administration | | | | |
| Pass-Through To: | | | | |
| Tarleton State University | | | | |
| University of Texas at Arlington | | | | |
| University of Texas - El Paso | | | | |
| University of Houston | | | | |
| Univ of Texas-Permian Basin | | | | |
| Univ of Texas - San Antonio | | | | |
| Univ of TX-Rio Grande Valley | | | | |
| Univ of Texas - Tyler | | | | |
| Texas A&M Univ-Commerce | | | | |
| University of North Texas | | | | |
| Sam Houston State University | | | | |
| Univ of North Texas at Dallas | | | | |
| Other Non-State Entities | | | | |
| Vocational Education-Basic Grants | 84.048 | 701 | 26,311,080.39 | |
| State Agency Administration | | | | |
| Pass-Through To: | | | | |
| Tx State Tech College System | | | | |
| Lamar State College - Orange | | | | |
| Lamar State College-Port Arthu | | | | |
| Lamar Univ Institute of Tech | | | | |
| Other Non-State Entities | | | | |
| Robert C. Byrd Honors Scholarships | 84.185 | 701 | (6,906.24) | |
| State Agency Administration | | | | |
| RAND - IES Administration | 84.305H | | | 581,091.79 |
| State Agency Administration | | | | |
| Total U.S. Dept. of Education | | | <u>26,304,174.15</u> | <u>581,091.79</u> |
| WIA / WIOA Cluster | | | | |
| U.S. Dept. of Labor | | | | |
| Pass-Through From: | | | | |
| WIOA Adult Program | 17.258 | 320 | 555.13 | |
| State Agency Administration | | | | |
| Total U.S. Dept. of Labor | | | <u>555.13</u> | <u>0.00</u> |
| Research & Development Cluster | | | | |
| U.S. Dept. of Education | | | | |
| Improving Teacher Quality State Grants | 84.367 | | | |
| Texas A & M University | | | | |
| Texas State University | | | | |
| Total U.S. Dept. of Education | | | <u>0.00</u> | <u>0.00</u> |
| Student Financial Assistance Cluster | | | | |
| U.S. Dept. of Health and Human Services | | | | |
| Direct Programs: | | | | |
| Health Education Assistance Loans | 93.108 | | | |
| Beginning Balance on Student Loans | | | | |
| Total U.S. Dept. of Health and Human Services | | | <u>0.00</u> | <u>0.00</u> |

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TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 1-A
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended August 31, 2017

| Direct Program Amount | Total PT From & Direct Program | Pass-Through To | | Expenditures Amount | Total PT To & Expenditures |
|-----------------------------|--------------------------------------|-----------------|--------------------------------|------------------------|---|
| | | Agy/ Univ # | State Agy or Univ Amount | | |
| \$ | \$ | \$ | \$ | \$ | \$ |
| 3,802,695.21 | 3,802,695.21 | | | 201,255.33 | 0.00 201,255.33 |
| | | 713 | 97,500.00 | | 97,500.00 |
| | | 714 | 137,599.59 | | 137,599.59 |
| | | 724 | 108,297.66 | | 108,297.66 |
| | | 730 | 514,489.00 | | 514,489.00 |
| | | 742 | 393,250.00 | | 393,250.00 |
| | | 743 | 296,957.64 | | 296,957.64 |
| | | 746 | (4,635.87) | | (4,635.87) |
| | | 750 | 182,880.53 | | 182,880.53 |
| | | 751 | 84,026.87 | | 84,026.87 |
| | | 752 | 506,733.14 | | 506,733.14 |
| | | 753 | 84,528.33 | | 84,528.33 |
| | | 773 | 97,500.00 | | 97,500.00 |
| (1,021,869.07) | 25,289,211.32 | | | 1,102,312.99 | 1,102,312.99 |
| | | | | 778,887.58 | 778,887.58 |
| | | 719 | 1,968,067.00 | | 1,968,067.00 |
| | | 787 | 206,071.00 | | 206,071.00 |
| | | 788 | 128,521.00 | | 128,521.00 |
| | | 789 | 271,437.00 | | 271,437.00 |
| | (6,906.24) | | | 21,936,227.74 | 21,936,227.74 |
| | 581,091.79 | | | (6,906.24) | (6,906.24) |
| | | | | 0.00 | 0.00 |
| | | | | 493,500.00 | 493,500.00 |
| | | | | 87,591.79 | 87,591.79 |
| <u>2,780,826.14</u> | <u>29,666,092.08</u> | | <u>5,073,222.89</u> | <u>23,525,134.49</u> | <u>1,067,734.70</u> <u>29,666,092.08</u> |
| (537.48) | 17.65 | | | 17.65 | 0.00 17.65 |
| <u>(537.48)</u> | <u>17.65</u> | | <u>0.00</u> | <u>17.65</u> | <u>17.65</u> |
| 467,790.67 | 467,790.67 | 711 | 277,762.92 | | 277,762.92 |
| <u>467,790.67</u> | <u>467,790.67</u> | 754 | 190,027.75 | | 190,027.75 |
| | | | 467,790.67 | 0.00 | 467,790.67 |
| 2,861,292.70 | 2,861,292.70 | | | 2,861,292.70 | 2,861,292.70 |
| <u>2,861,292.70</u> | <u>2,861,292.70</u> | | <u>0.00</u> | <u>2,861,292.70</u> | <u>2,861,292.70</u> |

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TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 1-A

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended August 31, 2017

| FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE | CFDA Number | Agy/ Univ # | Pass-Through From | |
|--|----------------|----------------|-------------------------------|---------------------------------|
| | | | Agencies or Univ Amount | Non-State Entities Amount |
| Non-clustered Programs | | | \$ | \$ |
| Student Financial Assistance Cluster | | | | |
| U.S. Dept. of Education | | | | |
| Direct Programs: | | | | |
| Federal Family Education Loans | 84.032L | | | |
| Beginning Balance on Student Loans | | | | |
| Interest Subsidy on Student Loans | | | | |
| Allowance on Student Loans | | | | |
| Total Student Financial Assistance Cluster | | | 0.00 | 0.00 |
| TOTAL FEDERAL FINANCIAL ASSISTANCE | | | \$ 26,304,729.28 | \$ 581,091.79 |

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TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 1-A
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended August 31, 2017

| Direct Program Amount | Total PT From & Direct Program | Pass-Through To | | Expenditures Amount | Total PT To & Expenditures |
|-----------------------------|--------------------------------------|-----------------|--------------------------------|------------------------|----------------------------------|
| | | Agy/ Univ # | State Agy or Univ Amount | | |
| \$ | \$ | \$ | \$ | \$ | \$ |
| 6,764,474.32 | 6,764,474.32 | | | 6,718,956.18 | 6,718,956.18 |
| | | | | 32,531.32 | 32,531.32 |
| | | | | 12,986.82 | 12,986.82 |
| <u>6,764,474.32</u> | <u>6,764,474.32</u> | <u>0.00</u> | <u>0.00</u> | <u>6,764,474.32</u> | <u>6,764,474.32</u> |
| \$ 12,873,846.35 | \$ 39,759,667.42 | \$ 5,541,013.56 | \$ 23,525,134.49 | \$ 10,693,519.37 | \$ 39,759,667.42 |

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TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 1-A
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended August 31, 2017

Note 1: Non-Monetary Assistance

Not Applicable

Note 2: Reconciliation

Below is a reconciliation of the total of federal grant pass-through and federal expenditures as reported on the Schedule of Federal Financial Assistance to the total 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 Combined Statement of Revenues, Expenditures & Changes
in Fund Balance/Statement of Activities - All Governmental Fund Types (Exh. II):

| | |
|--|-------------------------|
| Federal Revenues (Exh. II) | 3,874,689.26 |
| Federal Grant Pass-Through Revenues (Exh. II) | <u>26,304,729.28</u> |
| Subtotal | 30,179,418.54 |
| <u>RECONCILING ITEMS:</u> | |
| U.S. Dept. of Health and Human Services: | |
| Health Education Assistance Loans - CFDA # 93.108 | 2,861,292.70 |
| U.S. Dept. of Education: | |
| Federal Family Education Loans - CFDA # 84.032L | <u>6,718,956.18</u> |
| Total Pass-Through & Expenditures per Schedule 1-A | <u>\$ 39,759,667.42</u> |

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE I-A
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended August 31, 2017

Note 3: Student Loans Processed and Administrative Costs Recovered

| Federal Grantor / CFDA Number Program Name | Beginning Balance of Outstanding Loan | New Loans Processed | Administrative Costs Recovered | Total Loans Processed & Admin. Costs Recovered | Loans Outstanding at Year End |
|--|---|------------------------|--------------------------------------|---|-------------------------------------|
| U.S. Department of Education / 84.032L Federal Family Education Loans | 6,718,956.18 | - | 45,518.14 | \$45,518.14 | \$5,407,210.62 |
| Dept. of Health and Human Services / 93.108 Health Education Assistance Loans | 2,861,292.70 | - | - | \$ - | \$2,110,570.43 |

Note 5: Unemployment Insurance

Not Applicable

Note 6: Rebates from the Special Supplemental Food Program for Women, Infants, and Children (WIC)

Not Applicable

Note 7: Federal Unearned Revenue

Not Applicable

Note 8: Supplemental Nutrition Assistance Program (SNAP)

Not Applicable

Note 9 - Economic Adjustment Assistance

Not Applicable

Note 10 - 10 Percent de Minimis Indirect Cost Rate

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE I-B
SCHEDULE OF STATE GRANT PASS-THROUGHS
FROM/TO STATE AGENCIES

For the Year Ended August 31, 2017

| | |
|---|----------------------|
| State Pass-Through Grants from: | |
| Early High School Graduation Scholarships | |
| 701 - TEXAS EDUCATION AGENCY | \$ (6,271.12) |
| Early High School Graduation Scholarships Total | <u>(6,271.12)</u> |
| Pass-Through from Total | <u>\$ (6,271.12)</u> |
| | |
| State Pass-Through Grants to: | |
| ABE Community College Grants | |
| 711 - TEXAS A&M UNIVERSITY | \$ 30,000.00 |
| ABE Community College Grants Total | <u>30,000.00</u> |
| Advanced Research Program | |
| 721 - UNIVERSITY OF TEXAS AT AUSTIN | (5,769.00) |
| 733 - TEXAS TECH UNIVERSITY | 31,948.25 |
| 734 - LAMAR UNIVERSITY | (38,100.64) |
| 745 - UT HEALTH SCIENCE CENTER AT SAN ANTONIO | (11,083.93) |
| 752 - UNIVERSITY OF NORTH TEXAS | (19,461.66) |
| Advanced Research Program Total | <u>(42,466.98)</u> |
| Advise Texas | |
| 711 - TEXAS A&M UNIVERSITY | 1,040,000.00 |
| 721 - UNIVERSITY OF TEXAS AT AUSTIN | 335,000.00 |
| Advise Texas Total | <u>1,375,000.00</u> |
| Autism - BCBA Training | |
| 711 - TEXAS A&M UNIVERSITY | 116,871.00 |
| 733 - TEXAS TECH UNIVERSITY | 85,015.18 |
| 743 - UNIVERSITY OF TEXAS AT SAN ANTONIO | 106,729.00 |
| 753 - SAM HOUSTON STATE UNIVERSITY | 12,209.44 |
| 754 - TEXAS STATE UNIVERSITY | 91,266.57 |
| 759 - UNIVERSITY OF HOUSTON - CLEAR LAKE | 54,799.00 |
| Autism - BCBA Training Total | <u>466,890.19</u> |
| Autism - Parent Direct Treatment | |
| 711 - TEXAS A&M UNIVERSITY | 371,051.00 |
| 721 - UNIVERSITY OF TEXAS AT AUSTIN | 340,015.00 |
| 743 - UNIVERSITY OF TEXAS AT SAN ANTONIO | 143,340.00 |
| 744 - UT HEALTH SCIENCE CENTER AT HOUSTON | 205,226.00 |
| 752 - UNIVERSITY OF NORTH TEXAS | 368,849.00 |
| 754 - TEXAS STATE UNIVERSITY | 49,628.78 |
| 759 - UNIVERSITY OF HOUSTON - CLEAR LAKE | 310,835.00 |
| Autism - Parent Direct Treatment Total | <u>1,788,944.78</u> |
| Autism - Resarch, Dev. & Eval | |
| 738 - UNIVERSITY OF TEXAS AT DALLAS | 242,930.00 |
| 752 - UNIVERSITY OF NORTH TEXAS | 94,721.00 |
| Autism - Resarch, Dev. & Eval Total | <u>337,651.00</u> |
| Bilingual Education Program | |
| 714 - UNIVERSITY OF TEXAS AT ARLINGTON | 248,127.00 |
| 731 - TEXAS WOMAN'S UNIVERSITY | 229,181.90 |
| 733 - TEXAS TECH UNIVERSITY | 248,127.00 |
| 738 - UNIVERSITY OF TEXAS AT DALLAS | 248,127.00 |
| 751 - TEXAS A&M UNIVERSITY - COMMERCE | 244,319.74 |
| 752 - UNIVERSITY OF NORTH TEXAS | 248,127.00 |
| 773 - UNIVERSITY OF NORTH TEXAS-DALLAS | 248,127.00 |
| Bilingual Education Program Total | <u>1,714,136.64</u> |
| College Readiness Initiative | |
| 717 - TEXAS SOUTHERN UNIVERSITY | 97,986.00 |
| 719 - TEXAS STATE TECHNICAL COLLEGE SYSTEM | 25,000.00 |
| 721 - UNIVERSITY OF TEXAS AT AUSTIN | 5,000.00 |
| 730 - UNIVERSITY OF HOUSTON | (3,834.41) |

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE I-B
 SCHEDULE OF STATE GRANT PASS-THROUGHS
 FROM/TO STATE AGENCIES
 For the Year Ended August 31, 2017

| | |
|--|---------------------|
| 734 - LAMAR UNIVERSITY | 50,000.00 |
| 743 - UNIVERSITY OF TEXAS AT SAN ANTONIO | (125,150.45) |
| 754 - TEXAS STATE UNIVERSITY | 51,360.77 |
| 773 - UNIVERSITY OF NORTH TEXAS-DALLAS | 25,000.00 |
| College Readiness Initiative Total | 125,361.91 |
| College Work Study Program | |
| 709 - TX A&M UNIV SYSTEM HEALTH SCIENCE CENTER | 15,917.40 |
| 711 - TEXAS A&M UNIVERSITY | 212,090.00 |
| 713 - TARLETON STATE UNIVERSITY | 27,726.15 |
| 714 - UNIVERSITY OF TEXAS AT ARLINGTON | 163,148.00 |
| 715 - PRAIRIE VIEW A&M UNIVERSITY | 60,893.68 |
| 717 - TEXAS SOUTHERN UNIVERSITY | 73,341.00 |
| 718 - TEXAS A&M UNIVERSITY AT GALVESTON | 9,234.00 |
| 719 - TEXAS STATE TECHNICAL COLLEGE SYSTEM | 81,502.00 |
| 721 - UNIVERSITY OF TEXAS AT AUSTIN | 191,609.00 |
| 724 - UNIVERSITY OF TEXAS AT EL PASO | 177,633.00 |
| 729 - UT SOUTHWESTERN MEDICAL CENTER | (4,694.08) |
| 730 - UNIVERSITY OF HOUSTON | 232,502.00 |
| 731 - TEXAS WOMAN'S UNIVERSITY | 94,783.72 |
| 732 - TEXAS A&M UNIVERSITY-KINGSVILLE | 50,734.00 |
| 733 - TEXAS TECH UNIVERSITY | 98,744.98 |
| 734 - LAMAR UNIVERSITY | 94,830.00 |
| 735 - MIDWESTERN STATE UNIVERSITY | 35,009.83 |
| 737 - ANGELO STATE UNIVERSITY | 24,441.14 |
| 738 - UNIVERSITY OF TEXAS AT DALLAS | 94,448.00 |
| 742 - UNIVERSITY OF TEXAS OF THE PERMIAN BASIN | 26,309.00 |
| 743 - UNIVERSITY OF TEXAS AT SAN ANTONIO | 183,641.00 |
| 745 - UT HEALTH SCIENCE CENTER AT SAN ANTONIO | 24,482.00 |
| 746 - UNIVERSITY OF TEXAS RIO GRANDE VALLEY | 229,246.00 |
| 749 - TEXAS A&M UNIVERSITY-SAN ANTONIO | 33,306.00 |
| 750 - UNIVERSITY OF TEXAS AT TYLER | 36,505.57 |
| 751 - TEXAS A&M UNIVERSITY - COMMERCE | 69,703.00 |
| 752 - UNIVERSITY OF NORTH TEXAS | 119,785.82 |
| 753 - SAM HOUSTON STATE UNIVERSITY | 122,822.00 |
| 754 - TEXAS STATE UNIVERSITY | 219,475.00 |
| 755 - STEPHEN F AUSTIN STATE UNIVERSITY | 84,451.00 |
| 756 - SUL ROSS STATE UNIVERSITY | 20,116.00 |
| 757 - WEST TEXAS A&M UNIVERSITY | 45,800.80 |
| 759 - UNIVERSITY OF HOUSTON - CLEAR LAKE | 40,006.08 |
| 760 - TEXAS A&M UNIVERSITY - CORPUS CHRISTI | 68,563.85 |
| 761 - TEXAS A&M INTERNATIONAL UNIVERSITY | 56,181.00 |
| 765 - UNIVERSITY OF HOUSTON-VICTORIA | 20,248.28 |
| 784 - UNIVERSITY OF HOUSTON DOWNTOWN | 99,051.00 |
| 787 - LAMAR STATE COLLEGE - ORANGE | 10,535.00 |
| 788 - LAMAR STATE COLLEGE - PORT ARTHUR | 11,703.00 |
| 789 - LAMAR INSTITUTE OF TECHNOLOGY | 12,241.00 |
| College Work Study Program Total | 3,268,066.22 |
| CTG - Planning and Information | |
| 711 - TEXAS A&M UNIVERSITY | 15,000.00 |
| 746 - UNIVERSITY OF TEXAS RIO GRANDE VALLEY | 9,486.87 |
| CTG - Planning and Information Total | 24,486.87 |
| Developmental Education Program | |
| 719 - TEXAS STATE TECHNICAL COLLEGE SYSTEM | 56,000.00 |
| 753 - SAM HOUSTON STATE UNIVERSITY | 40,156.69 |
| 754 - TEXAS STATE UNIVERSITY | 305,201.45 |
| 784 - UNIVERSITY OF HOUSTON DOWNTOWN | 29,804.00 |
| Developmental Education Program Total | 431,162.14 |

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 1-B
 SCHEDULE OF STATE GRANT PASS-THROUGHS
 FROM/TO STATE AGENCIES
 For the Year Ended August 31, 2017

| | |
|--|---------------------|
| Early High School Program HB1479 | |
| 723 - UT MEDICAL BRANCH AT GALVESTON | (1,079.12) |
| Early High School Program HB1479 Total | (1,079.12) |
| Educational Aide Program | |
| 711 - TEXAS A&M UNIVERSITY | (50,000.00) |
| 719 - TEXAS STATE TECHNICAL COLLEGE SYSTEM | 8,046.90 |
| 746 - UNIVERSITY OF TEXAS RIO GRANDE VALLEY | (14,286.00) |
| 752 - UNIVERSITY OF NORTH TEXAS | (46,166.89) |
| 753 - SAM HOUSTON STATE UNIVERSITY | 30,576.00 |
| 754 - TEXAS STATE UNIVERSITY | 7,931.42 |
| 759 - UNIVERSITY OF HOUSTON - CLEAR LAKE | 35,714.00 |
| 760 - TEXAS A&M UNIVERSITY - CORPUS CHRISTI | 35,714.00 |
| 761 - TEXAS A&M INTERNATIONAL UNIVERSITY | 21,009.00 |
| 765 - UNIVERSITY OF HOUSTON-VICTORIA | 12,785.34 |
| 770 - TEXAS A&M UNIVERSITY-CENTRAL TEXAS | 41,269.00 |
| Educational Aide Program Total | 82,592.77 |
| Emergency and Trauma Care | |
| 721 - UNIVERSITY OF TEXAS AT AUSTIN | 324,396.00 |
| 723 - UT MEDICAL BRANCH AT GALVESTON | 30,198.00 |
| 729 - UT SOUTHWESTERN MEDICAL CENTER | 354,594.00 |
| 744 - UT HEALTH SCIENCE CENTER AT HOUSTON | 874,174.00 |
| 745 - UT HEALTH SCIENCE CENTER AT SAN ANTONIO | 264,000.00 |
| 774 - TX TECH UNIV HEALTH SCIENCE CNTR EL PASO | 198,000.00 |
| Emergency and Trauma Care Total | 2,045,362.00 |
| Engineering Recruitment Program | |
| 711 - TEXAS A&M UNIVERSITY | 11,727.00 |
| 713 - TARLETON STATE UNIVERSITY | 10,256.48 |
| 714 - UNIVERSITY OF TEXAS AT ARLINGTON | 11,727.00 |
| 715 - PRAIRIE VIEW A&M UNIVERSITY | 12,981.76 |
| 721 - UNIVERSITY OF TEXAS AT AUSTIN | 11,727.00 |
| 724 - UNIVERSITY OF TEXAS AT EL PASO | 11,572.21 |
| 732 - TEXAS A&M UNIVERSITY-KINGSVILLE | 8,927.90 |
| 734 - LAMAR UNIVERSITY | 10,309.78 |
| 735 - MIDWESTERN STATE UNIVERSITY | 11,727.00 |
| 738 - UNIVERSITY OF TEXAS AT DALLAS | 11,727.00 |
| 742 - UNIVERSITY OF TEXAS OF THE PERMIAN BASIN | 11,727.00 |
| 743 - UNIVERSITY OF TEXAS AT SAN ANTONIO | 8,216.39 |
| 746 - UNIVERSITY OF TEXAS RIO GRANDE VALLEY | 11,283.76 |
| 750 - UNIVERSITY OF TEXAS AT TYLER | 11,727.00 |
| 751 - TEXAS A&M UNIVERSITY - COMMERCE | 11,727.00 |
| 752 - UNIVERSITY OF NORTH TEXAS | 11,422.16 |
| 755 - STEPHEN F AUSTIN STATE UNIVERSITY | 11,719.01 |
| 757 - WEST TEXAS A&M UNIVERSITY | 11,727.00 |
| 760 - TEXAS A&M UNIVERSITY - CORPUS CHRISTI | 10,236.52 |
| 761 - TEXAS A&M INTERNATIONAL UNIVERSITY | 11,727.00 |
| Engineering Recruitment Program Total | 224,195.97 |
| Family Practice HB1025 | |
| 744 - UT HEALTH SCIENCE CENTER AT HOUSTON | (6,733.00) |
| Family Practice HB1025 Total | (6,733.00) |
| Family Practice Res Fd 5111 | |
| 709 - TX A&M UNIV SYSTEM HEALTH SCIENCE CENTER | 289,650.00 |
| 721 - UNIVERSITY OF TEXAS AT AUSTIN | 225,283.00 |
| 723 - UT MEDICAL BRANCH AT GALVESTON | 321,833.00 |
| 729 - UT SOUTHWESTERN MEDICAL CENTER | 311,106.00 |
| 739 - TX TECH UNIVERSITY HEALTH SCIENCES CENTR | 1,019,140.00 |
| 744 - UT HEALTH SCIENCE CENTER AT HOUSTON | 386,200.00 |
| 745 - UT HEALTH SCIENCE CENTER AT SAN ANTONIO | 439,839.00 |

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 1-B
 SCHEDULE OF STATE GRANT PASS-THROUGHS
 FROM/TO STATE AGENCIES
 For the Year Ended August 31, 2017

| | |
|--|----------------------|
| 746 - UNIVERSITY OF TEXAS RIO GRANDE VALLEY | 193,100.00 |
| 763 - UNIV OF NORTH TX HEALTH SCI CTR FT WORTH | 203,828.00 |
| 774 - TX TECH UNIV HEALTH SCIENCE CNTR EL PASO | 257,467.00 |
| 785 - UT HEALTH CENTER AT TYLER | 268,195.00 |
| Family Practice Res Fd 5111 Total | 3,915,641.00 |
| Family Practice Residency Program | |
| 709 - TX A&M UNIV SYSTEM HEALTH SCIENCE CENTER | 27,500.00 |
| 739 - TX TECH UNIVERSITY HEALTH SCIENCES CNTR | 30,000.00 |
| 745 - UT HEALTH SCIENCE CENTER AT SAN ANTONIO | (2,621.21) |
| 763 - UNIV OF NORTH TX HEALTH SCI CTR FT WORTH | 158,622.00 |
| 785 - UT HEALTH CENTER AT TYLER | 10,000.00 |
| Family Practice Residency Program Total | 223,500.79 |
| GME Expansion HB1025 | |
| 729 - UT SOUTHWESTERN MEDICAL CENTER | (25,461.05) |
| 739 - TX TECH UNIVERSITY HEALTH SCIENCES CNTR | (19.17) |
| 744 - UT HEALTH SCIENCE CENTER AT HOUSTON | (174.79) |
| 745 - UT HEALTH SCIENCE CENTER AT SAN ANTONIO | (242.65) |
| GME Expansion HB1025 Total | (25,897.66) |
| GME Expansion SB 18 | |
| 721 - UNIVERSITY OF TEXAS AT AUSTIN | 1,200,000.00 |
| 723 - UT MEDICAL BRANCH AT GALVESTON | 680,000.00 |
| 729 - UT SOUTHWESTERN MEDICAL CENTER | 300,000.00 |
| 739 - TX TECH UNIVERSITY HEALTH SCIENCES CNTR | 4,610,000.00 |
| 744 - UT HEALTH SCIENCE CENTER AT HOUSTON | 2,175,000.00 |
| 745 - UT HEALTH SCIENCE CENTER AT SAN ANTONIO | 945,000.00 |
| 746 - UNIVERSITY OF TEXAS RIO GRANDE VALLEY | 1,650,000.00 |
| 763 - UNIV OF NORTH TX HEALTH SCI CTR FT WORTH | 300,000.00 |
| 774 - TX TECH UNIV HEALTH SCIENCE CNTR EL PASO | 1,365,000.00 |
| 785 - UT HEALTH CENTER AT TYLER | 288,965.10 |
| GME Expansion SB 18 Total | 13,513,965.10 |
| GME New/Expanded Programs | |
| 729 - UT SOUTHWESTERN MEDICAL CENTER | 600,000.00 |
| 739 - TX TECH UNIVERSITY HEALTH SCIENCES CNTR | 130,000.00 |
| 746 - UNIVERSITY OF TEXAS RIO GRANDE VALLEY | 325,000.00 |
| 763 - UNIV OF NORTH TX HEALTH SCI CTR FT WORTH | 130,000.00 |
| GME New/Expanded Programs Total | 1,185,000.00 |
| GME Planning Grants | |
| 709 - TX A&M UNIV SYSTEM HEALTH SCIENCE CENTER | 250,000.00 |
| 721 - UNIVERSITY OF TEXAS AT AUSTIN | 244,955.00 |
| 739 - TX TECH UNIVERSITY HEALTH SCIENCES CNTR | 499,910.00 |
| 746 - UNIVERSITY OF TEXAS RIO GRANDE VALLEY | 250,000.00 |
| GME Planning Grants Total | 1,244,865.00 |
| GME Unfilled Positions | |
| 723 - UT MEDICAL BRANCH AT GALVESTON | 215,000.00 |
| 729 - UT SOUTHWESTERN MEDICAL CENTER | 560,000.00 |
| 744 - UT HEALTH SCIENCE CENTER AT HOUSTON | 3,035,000.00 |
| 745 - UT HEALTH SCIENCE CENTER AT SAN ANTONIO | 290,000.00 |
| GME Unfilled Positions Total | 4,100,000.00 |
| Ken Ashworth Scholarship Fund | |
| 721 - UNIVERSITY OF TEXAS AT AUSTIN | 5,000.00 |
| Ken Ashworth Scholarship Fund Total | 5,000.00 |
| Minority Health Research and Education | |
| 709 - TX A&M UNIV SYSTEM HEALTH SCIENCE CENTER | 48,524.51 |
| 713 - TARLETON STATE UNIVERSITY | 1,672.30 |
| 717 - TEXAS SOUTHERN UNIVERSITY | 123,494.42 |
| 723 - UT MEDICAL BRANCH AT GALVESTON | 313,035.52 |
| 729 - UT SOUTHWESTERN MEDICAL CENTER | 78,192.16 |

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE I-B
SCHEDULE OF STATE GRANT PASS-THROUGHS
FROM/TO STATE AGENCIES

For the Year Ended August 31, 2017

| | |
|--|---------------------|
| 731 - TEXAS WOMAN'S UNIVERSITY | 65,185.87 |
| 734 - LAMAR UNIVERSITY | 45,264.31 |
| 745 - UNIVERSITY OF TEXAS RIO GRANDE VALLEY | 45,248.20 |
| 752 - UNIVERSITY OF NORTH TEXAS | 421,015.03 |
| 753 - SAM HOUSTON STATE UNIVERSITY | 196,447.85 |
| 763 - UNIV OF NORTH TX HEALTH SCI CTR FT WORTH | 71,374.37 |
| 765 - UNIVERSITY OF HOUSTON-VICTORIA | 115,873.19 |
| Minority Health Research and Education Total | 1,525,327.73 |
| Nursing and Allied Health | |
| 709 - TX A&M UNIV SYSTEM HEALTH SCIENCE CENTER | 99,929.30 |
| 713 - TARLETON STATE UNIVERSITY | 7,164.14 |
| 714 - UNIVERSITY OF TEXAS AT ARLINGTON | 480,231.94 |
| 721 - UNIVERSITY OF TEXAS AT AUSTIN | 167,489.96 |
| 724 - UNIVERSITY OF TEXAS AT EL PASO | 18,684.92 |
| 730 - UNIVERSITY OF HOUSTON | 14,832.78 |
| 731 - TEXAS WOMAN'S UNIVERSITY | 4,867.98 |
| 734 - LAMAR UNIVERSITY | 12,457.88 |
| 735 - MIDWESTERN STATE UNIVERSITY | 582.45 |
| 739 - TX TECH UNIVERSITY HEALTH SCIENCES CENTR | 216,371.74 |
| 745 - UT HEALTH SCIENCE CENTER AT SAN ANTONIO | 37,193.03 |
| 751 - TEXAS A&M UNIVERSITY - COMMERCE | 1,091.48 |
| 753 - SAM HOUSTON STATE UNIVERSITY | 11,951.00 |
| 754 - TEXAS STATE UNIVERSITY | 2,952.58 |
| 755 - STEPHEN F AUSTIN STATE UNIVERSITY | 14,152.82 |
| 760 - TEXAS A&M UNIVERSITY - CORPUS CHRISTI | 124,516.11 |
| 774 - TX TECH UNIV HEALTH SCIENCE CNTR EL PASO | 4,056.39 |
| 787 - LAMAR STATE COLLEGE - ORANGE | 3,529.77 |
| 788 - LAMAR STATE COLLEGE - PORT ARTHUR | 178,955.03 |
| Nursing and Allied Health Total | 1,401,011.30 |
| Outreach and Success | |
| 724 - UNIVERSITY OF TEXAS AT EL PASO | 3,500.98 |
| 730 - UNIVERSITY OF HOUSTON | (890.92) |
| 751 - TEXAS A&M UNIVERSITY - COMMERCE | 7,000.00 |
| 754 - TEXAS STATE UNIVERSITY | 3,250.68 |
| Outreach and Success Total | 12,860.74 |
| Primary Care Innovation | |
| 721 - UNIVERSITY OF TEXAS AT AUSTIN | 362,688.00 |
| 723 - UT MEDICAL BRANCH AT GALVESTON | 403,504.35 |
| 739 - TX TECH UNIVERSITY HEALTH SCIENCES CENTR | 328,751.80 |
| 744 - UT HEALTH SCIENCE CENTER AT HOUSTON | (20,513.27) |
| 745 - UT HEALTH SCIENCE CENTER AT SAN ANTONIO | 333,717.00 |
| 763 - UNIV OF NORTH TX HEALTH SCI CTR FT WORTH | 75,570.82 |
| 774 - TX TECH UNIV HEALTH SCIENCE CNTR EL PASO | 349,143.77 |
| Primary Care Innovation Total | 1,832,862.47 |
| Professional Nursing Shortage Reduction Program | |
| 709 - TX A&M UNIV SYSTEM HEALTH SCIENCE CENTER | 218,179.07 |
| 713 - TARLETON STATE UNIVERSITY | 576,250.44 |
| 714 - UNIVERSITY OF TEXAS AT ARLINGTON | 3,393,184.26 |
| 715 - PRAIRIE VIEW A&M UNIVERSITY | 296,473.34 |
| 719 - TEXAS STATE TECHNICAL COLLEGE SYSTEM | 259,464.84 |
| 723 - UT MEDICAL BRANCH AT GALVESTON | 396,447.35 |
| 724 - UNIVERSITY OF TEXAS AT EL PASO | 300,000.00 |
| 730 - UNIVERSITY OF HOUSTON | 290,000.00 |
| 731 - TEXAS WOMAN'S UNIVERSITY | 332,698.41 |
| 734 - LAMAR UNIVERSITY | 266,072.04 |
| 735 - MIDWESTERN STATE UNIVERSITY | 69,178.73 |
| 737 - ANGELO STATE UNIVERSITY | (236.13) |

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE I-B
 SCHEDULE OF STATE GRANT PASS-THROUGHS
 FROM/TO STATE AGENCIES
 For the Year Ended August 31, 2017

| | |
|--|----------------------|
| 739 - TX TECH UNIVERSITY HEALTH SCIENCES CENTR | 675,822.99 |
| 742 - UNIVERSITY OF TEXAS OF THE PERMIAN BASIN | 509,000.35 |
| 744 - UT HEALTH SCIENCE CENTER AT HOUSTON | 281,839.45 |
| 750 - UNIVERSITY OF TEXAS AT TYLER | 680,215.45 |
| 751 - TEXAS A&M UNIVERSITY - COMMERCE | 159,178.73 |
| 753 - SAM HOUSTON STATE UNIVERSITY | 606,689.14 |
| 754 - TEXAS STATE UNIVERSITY | 47,205.01 |
| 755 - STEPHEN F AUSTIN STATE UNIVERSITY | 105,716.83 |
| 757 - WEST TEXAS A&M UNIVERSITY | 85,143.06 |
| 760 - TEXAS A&M UNIVERSITY - CORPUS CHRISTI | 412,708.34 |
| 761 - TEXAS A&M INTERNATIONAL UNIVERSITY | 306,428.82 |
| 774 - TX TECH UNIV HEALTH SCIENCE CNTR EL PASO | 411,571.88 |
| Professional Nursing Shortage Reduction Program Total | 10,679,232.40 |
| Regional Pathways Project Grant | |
| 714 - UNIVERSITY OF TEXAS AT ARLINGTON | 10,000.00 |
| 752 - UNIVERSITY OF NORTH TEXAS | 10,000.00 |
| Regional Pathways Project Grant Total | 20,000.00 |
| TEOG Public State/Tech Colleges | |
| 719 - TEXAS STATE TECHNICAL COLLEGE SYSTEM | 2,135,116.00 |
| 787 - LAMAR STATE COLLEGE - ORANGE | 312,700.00 |
| 788 - LAMAR STATE COLLEGE - PORT ARTHUR | 544,485.00 |
| 789 - LAMAR INSTITUTE OF TECHNOLOGY | 586,702.00 |
| TEOG Public State/Tech Colleges Total | 3,579,003.00 |
| TEXAS Grant Program | |
| 506 - UT MD ANDERSON CANCER CENTER | 105,322.00 |
| 709 - TX A&M UNIV SYSTEM HEALTH SCIENCE CENTER | 37,750.00 |
| 711 - TEXAS A&M UNIVERSITY | 29,914,448.00 |
| 713 - TARLETON STATE UNIVERSITY | 6,488,026.00 |
| 714 - UNIVERSITY OF TEXAS AT ARLINGTON | 12,829,992.00 |
| 715 - PRAIRIE VIEW A&M UNIVERSITY | 10,622,238.00 |
| 717 - TEXAS SOUTHERN UNIVERSITY | 7,889,381.00 |
| 718 - TEXAS A&M UNIVERSITY AT GALVESTON | 745,482.00 |
| 719 - TEXAS STATE TECHNICAL COLLEGE SYSTEM | 13,716.00 |
| 721 - UNIVERSITY OF TEXAS AT AUSTIN | 28,145,777.00 |
| 723 - UT MEDICAL BRANCH AT GALVESTON | 22,500.00 |
| 724 - UNIVERSITY OF TEXAS AT EL PASO | 20,129,719.00 |
| 730 - UNIVERSITY OF HOUSTON | 21,754,578.00 |
| 731 - TEXAS WOMAN'S UNIVERSITY | 7,658,560.00 |
| 732 - TEXAS A&M UNIVERSITY-KINGSVILLE | 6,101,486.00 |
| 733 - TEXAS TECH UNIVERSITY | 11,269,259.00 |
| 734 - LAMAR UNIVERSITY | 5,564,746.00 |
| 735 - MIDWESTERN STATE UNIVERSITY | 4,077,803.00 |
| 737 - ANGELO STATE UNIVERSITY | 4,502,408.00 |
| 738 - UNIVERSITY OF TEXAS AT DALLAS | 9,126,693.00 |
| 739 - TX TECH UNIVERSITY HEALTH SCIENCES CENTR | 98,125.00 |
| 742 - UNIVERSITY OF TEXAS OF THE PERMIAN BASIN | 1,684,740.00 |
| 743 - UNIVERSITY OF TEXAS AT SAN ANTONIO | 22,299,706.00 |
| 744 - UT HEALTH SCIENCE CENTER AT HOUSTON | 131,752.00 |
| 745 - UT HEALTH SCIENCE CENTER AT SAN ANTONIO | 85,000.00 |
| 746 - UNIVERSITY OF TEXAS RIO GRANDE VALLEY | 37,850,131.00 |
| 749 - TEXAS A&M UNIVERSITY-SAN ANTONIO | 951,091.00 |
| 750 - UNIVERSITY OF TEXAS AT TYLER | 2,217,620.00 |
| 751 - TEXAS A&M UNIVERSITY - COMMERCE | 5,329,340.00 |
| 752 - UNIVERSITY OF NORTH TEXAS | 19,500,814.00 |
| 753 - SAM HOUSTON STATE UNIVERSITY | 12,517,638.00 |
| 754 - TEXAS STATE UNIVERSITY | 23,699,728.75 |
| 755 - STEPHEN F AUSTIN STATE UNIVERSITY | 8,451,078.00 |

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 1-B
 SCHEDULE OF STATE GRANT PASS-THROUGHS
 FROM/TO STATE AGENCIES
 For the Year Ended August 31, 2017

| | |
|--|-----------------------|
| 756 - SUL ROSS STATE UNIVERSITY | 1,563,804.00 |
| 757 - WEST TEXAS A&M UNIVERSITY | 4,732,374.00 |
| 759 - UNIVERSITY OF HOUSTON - CLEAR LAKE | 1,926,036.00 |
| 760 - TEXAS A&M UNIVERSITY - CORPUS CHRISTI | 8,182,825.00 |
| 761 - TEXAS A&M INTERNATIONAL UNIVERSITY | 8,804,242.00 |
| 764 - TEXAS A&M UNIVERSITY - TEXARKANA | 672,787.00 |
| 765 - UNIVERSITY OF HOUSTON-VICTORIA | 1,623,078.00 |
| 770 - TEXAS A&M UNIVERSITY-CENTRAL TEXAS | 267,244.00 |
| 773 - UNIVERSITY OF NORTH TEXAS-DALLAS | 1,237,323.00 |
| 784 - UNIVERSITY OF HOUSTON DOWNTOWN | 6,885,192.00 |
| TEXAS Grant Program Total | 357,711,552.75 |
| Texas Research Incentive Program - HB51 | |
| 714 - UNIVERSITY OF TEXAS AT ARLINGTON | 3,030,758.38 |
| Texas Research Incentive Program - HB51 Total | 3,030,758.38 |
| Texas Research Incentive Program - HB52 | |
| 724 - UNIVERSITY OF TEXAS AT EL PASO | 50,000.00 |
| Texas Research Incentive Program - HB52 Total | 50,000.00 |
| Texas Research Incentive Program - HB53 | |
| 730 - UNIVERSITY OF HOUSTON | 5,086,164.08 |
| Texas Research Incentive Program - HB53 Total | 5,086,164.08 |
| Texas Research Incentive Program - HB54 | |
| 733 - TEXAS TECH UNIVERSITY | 12,766,346.64 |
| Texas Research Incentive Program - HB54 Total | 12,766,346.64 |
| Texas Research Incentive Program - HB55 | |
| 738 - UNIVERSITY OF TEXAS AT DALLAS | 7,728,439.51 |
| Texas Research Incentive Program - HB55 Total | 7,728,439.51 |
| Texas Research Incentive Program - HB56 | |
| 743 - UNIVERSITY OF TEXAS AT SAN ANTONIO | 973,500.00 |
| Texas Research Incentive Program - HB56 Total | 973,500.00 |
| Texas Research Incentive Program - HB57 | |
| 752 - UNIVERSITY OF NORTH TEXAS | 2,865,250.00 |
| Texas Research Incentive Program - HB57 Total | 2,865,250.00 |
| Texas Research Incentive Program - HB58 | |
| 754 - TEXAS STATE UNIVERSITY | 2,812,041.39 |
| Texas Research Incentive Program - HB58 Total | 2,812,041.39 |
| Top 10% Scholarships | |
| 709 - TX A&M UNIV SYSTEM HEALTH SCIENCE CENTER | 20,000.00 |
| 711 - TEXAS A&M UNIVERSITY | 1,459,600.00 |
| 713 - TARLETON STATE UNIVERSITY | 21,233.00 |
| 714 - UNIVERSITY OF TEXAS AT ARLINGTON | 212,000.00 |
| 715 - PRAIRIE VIEW A&M UNIVERSITY | 6,000.00 |
| 718 - TEXAS A&M UNIVERSITY AT GALVESTON | 14,000.00 |
| 721 - UNIVERSITY OF TEXAS AT AUSTIN | 2,072,000.00 |
| 724 - UNIVERSITY OF TEXAS AT EL PASO | 184,376.00 |
| 730 - UNIVERSITY OF HOUSTON | 551,200.00 |
| 731 - TEXAS WOMAN'S UNIVERSITY | 11,527.00 |
| 732 - TEXAS A&M UNIVERSITY-KINGSVILLE | 44,000.00 |
| 733 - TEXAS TECH UNIVERSITY | 88,000.00 |
| 734 - LAMAR UNIVERSITY | 16,000.00 |
| 735 - MIDWESTERN STATE UNIVERSITY | 32,000.00 |
| 737 - ANGELO STATE UNIVERSITY | 28,000.00 |
| 738 - UNIVERSITY OF TEXAS AT DALLAS | 370,000.00 |
| 742 - UNIVERSITY OF TEXAS OF THE PERMIAN BASIN | 4,000.00 |
| 743 - UNIVERSITY OF TEXAS AT SAN ANTONIO | 243,105.00 |
| 745 - UT HEALTH SCIENCE CENTER AT SAN ANTONIO | 2,000.00 |
| 746 - UNIVERSITY OF TEXAS RIO GRANDE VALLEY | 563,585.00 |
| 750 - UNIVERSITY OF TEXAS AT TYLER | 6,000.00 |

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 1-B
 SCHEDULE OF STATE GRANT PASS-THROUGHS
 FROM/TO STATE AGENCIES
 For the Year Ended August 31, 2017

| | |
|--|--------------------------|
| 751 - TEXAS A&M UNIVERSITY - COMMERCE | 38,000.00 |
| 752 - UNIVERSITY OF NORTH TEXAS | 464,315.00 |
| 753 - SAM HOUSTON STATE UNIVERSITY | 76,000.00 |
| 754 - TEXAS STATE UNIVERSITY | 252,000.00 |
| 755 - STEPHEN F AUSTIN STATE UNIVERSITY | 146,000.00 |
| 756 - SUL ROSS STATE UNIVERSITY | 10,000.00 |
| 757 - WEST TEXAS A&M UNIVERSITY | 62,000.00 |
| 760 - TEXAS A&M UNIVERSITY - CORPUS CHRISTI | 14,000.00 |
| 761 - TEXAS A&M INTERNATIONAL UNIVERSITY | 166,000.00 |
| 764 - TEXAS A&M UNIVERSITY - TEXARKANA | 4,000.00 |
| 765 - UNIVERSITY OF HOUSTON-VICTORIA | 2,000.00 |
| 784 - UNIVERSITY OF HOUSTON DOWNTOWN | 10,000.00 |
| Top 10% Scholarships Total | 7,192,941.00 |
| T-STEM Scholarship Program | |
| 719 - TEXAS STATE TECHNICAL COLLEGE SYSTEM | 1,455,987.00 |
| T-STEM Scholarship Program Total | 1,455,987.00 |
| TX Teacher Residency Prog | |
| 751 - TEXAS A&M UNIVERSITY - COMMERCE | 1,053,603.73 |
| TX Teacher Residency Prog Total | 1,053,603.73 |
| Work Study Mentorship Program | |
| 713 - TARLETON STATE UNIVERSITY | 19,500.00 |
| 714 - UNIVERSITY OF TEXAS AT ARLINGTON | 76,706.78 |
| 717 - TEXAS SOUTHERN UNIVERSITY | 200,500.00 |
| 719 - TEXAS STATE TECHNICAL COLLEGE SYSTEM | 218,885.00 |
| 724 - UNIVERSITY OF TEXAS AT EL PASO | 146,261.28 |
| 731 - TEXAS WOMAN'S UNIVERSITY | 90,678.23 |
| 732 - TEXAS A&M UNIVERSITY-KINGSVILLE | 201,566.04 |
| 733 - TEXAS TECH UNIVERSITY | (68.00) |
| 738 - UNIVERSITY OF TEXAS AT DALLAS | 90,000.00 |
| 742 - UNIVERSITY OF TEXAS OF THE PERMIAN BASIN | 37,500.00 |
| 743 - UNIVERSITY OF TEXAS AT SAN ANTONIO | 193,885.00 |
| 746 - UNIVERSITY OF TEXAS RIO GRANDE VALLEY | 135,854.74 |
| 750 - UNIVERSITY OF TEXAS AT TYLER | 50,000.00 |
| 751 - TEXAS A&M UNIVERSITY - COMMERCE | 50,000.00 |
| 752 - UNIVERSITY OF NORTH TEXAS | 233,905.15 |
| 754 - TEXAS STATE UNIVERSITY | 82,748.88 |
| 757 - WEST TEXAS A&M UNIVERSITY | 137,500.00 |
| 760 - TEXAS A&M UNIVERSITY - CORPUS CHRISTI | 120,952.45 |
| 761 - TEXAS A&M INTERNATIONAL UNIVERSITY | 50,000.00 |
| 773 - UNIVERSITY OF NORTH TEXAS-DALLAS | 22,106.10 |
| 784 - UNIVERSITY OF HOUSTON DOWNTOWN | 31,017.46 |
| Work Study Mentorship Program Total | 2,189,499.11 |
| Total State Pass-Through Grants To Other Agencies (Exh. II) | \$ 459,992,026.85 |

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 2-A
MISCELLANEOUS BOND INFORMATION

For the Year Ended August 31, 2017

Governmental Activities

| Description of Issue | Bonds Issued To Date | Range of Interest Rates | | Terms of Variable Interest Rates | Scheduled Maturities | | First Call Date |
|----------------------------------|----------------------|-------------------------|-------|----------------------------------|----------------------|-----------|------------------|
| | | | | | First Year | Last Year | |
| <u>General Obligation Bonds:</u> | | | | | | | |
| COL STUD LOAN BDS SER'07A | 72,805,000.00 | 5.00% | 5.25% | | 2011 | 2031 | 08/01/2021 (A,B) |
| COL STUD LOAN RFD BDS SER'07B | 26,165,000.00 | 4.50% | 5.00% | | 2014 | 2018 | N/A |
| COL STUD LOAN BDS SER'08A | 74,115,000.00 | 5.00% | 5.50% | | 2012 | 2032 | 08/01/2018 (A,B) |
| COL STUD LOAN RFD BDS SER'08B | 27,335,000.00 | 5.00% | 5.50% | | 2014 | 2018 | N/A |
| COL STUD LOAN RFD BDS SER'08C | 45,265,000.00 | 5.25% | 5.25% | | 2009 | 2017 | N/A |
| COL STUD LOAN BDS SER'09 | 71,730,000.00 | 4.00% | 5.00% | | 2013 | 2033 | 08/01/2019 (A,B) |
| COL STUD LOAN BDS SER'10 | 113,580,000.00 | 3.00% | 5.00% | | 2014 | 2034 | 08/01/2020 (A,B) |
| COL STUD LOAN RFD BDS SER'10 | 51,865,000.00 | 3.00% | 5.00% | | 2011 | 2017 | N/A |
| COL STUD LOAN BDS SER'11A | 118,650,000.00 | 5.00% | 5.00% | | 2015 | 2036 | (A,B) |
| COL STUD LOAN RFD BDS SER'11B | 27,020,000.00 | 2.00% | 5.00% | | 2012 | 2018 | N/A |
| COL STUD LOAN RFD BDS SER'11C | 6,570,000.00 | 5.00% | 5.00% | | 2019 | 2022 | N/A |
| COL STUD LOAN BDS SER'12 | 85,615,000.00 | 3.00% | 5.50% | | 2016 | 2035 | 08/01/2022 (A) |
| COL STUD LOAN RFD BDS SER'13A | 98,550,000.00 | 2.00% | 5.00% | | 2014 | 2023 | N/A |
| COL STUD LOAN BDS SER'13B | 113,740,000.00 | 4.00% | 5.50% | | 2019 | 2030 | 08/01/2023 (A) |
| COL STUD LOAN BDS SER'14 | 68,130,000.00 | 4.00% | 6.00% | | 2019 | 2030 | 08/01/2024 (A) |
| COL STUD LOAN BDS SER'15 | 150,000,000.00 | 4.00% | 5.00% | | 2020 | 2034 | 08/01/2025 (A) |
| COL STUD LOAN BDS SER'16 | 158,065,000.00 | 5.00% | 6.00% | | 2021 | 2040 | 8/1/2026 (A) |
| Total General Obligation Bonds | \$ 1,309,200,000.00 | | | | | | |

NOTE A: Bonds having stated maturities after this date are subject to optional redemption on this date, or on any payment date thereafter.

NOTE B: Additionally, the term bonds maturing on the following dates, are subject to mandatory redemption prior to maturity beginning on August 1 of each of the years listed below and continuing each subsequent year until scheduled maturity:

| Description of Issue | Scheduled Maturity Date | First Redemption Date |
|----------------------------------|-------------------------|-----------------------|
| | August 1, | |
| <u>General Obligation Bonds:</u> | | |
| COL STUD LOAN BDS SER'07A | 2023 | 2022 |
| COL STUD LOAN BDS SER'07A | 2025 | 2024 |
| COL STUD LOAN BDS SER'07A | 2028 | 2026 |
| COL STUD LOAN BDS SER'07A | 2031 | 2029 |
| COL STUD LOAN BDS SER'08A | 2026 | 2025 |
| COL STUD LOAN BDS SER'08A | 2028 | 2027 |
| COL STUD LOAN BDS SER'08A | 2032 | 2029 |
| COL STUD LOAN BDS SER'09 | 2033 | 2031 |
| COL STUD LOAN BDS SER'10 | 2034 | 2031 |
| COL STUD LOAN BDS SER'11A | 2031 | 2027 |
| COL STUD LOAN BDS SER'11A | 2036 | 2032 |

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 2-B

CHANGES IN BONDED INDEBTEDNESS

For the Year Ended August 31, 2017

Governmental Activities

| Description of Issue | Bonds Outstanding 9/1/2016 | Bonds Issued | Bonds Matured or Retired | Bonds Outstanding | Unamortized Premium/ Discount | Net Bonds Outstanding 8/31/2017 | Amounts Due Within One Year |
|---------------------------------------|-------------------------------|--------------------------|-----------------------------|----------------------------|-------------------------------------|---------------------------------------|-----------------------------------|
| General Obligation Bonds: | | | | | | | |
| COL STUD LOAN BDS SER'07A | 59,105,000.00 | | 2,700,000.00 | 56,405,000.00 | | 56,405,000.00 | 2,830,000.00 |
| COL STUD LOAN RFD BDS SER'07B | 12,585,000.00 | | 5,900,000.00 | 6,685,000.00 | | 6,685,000.00 | 6,685,000.00 |
| COL STUD LOAN BDS SER'08A | 62,800,000.00 | | 2,630,000.00 | 60,170,000.00 | | 60,170,000.00 | 2,760,000.00 |
| COL STUD LOAN RFD BDS SER'08B | 13,320,000.00 | | 6,275,000.00 | 7,045,000.00 | | 7,045,000.00 | 7,045,000.00 |
| COL STUD LOAN RFD BDS SER'08C | 6,145,000.00 | | 6,145,000.00 | | | | |
| COL STUD LOAN BDS SER'09 | 62,750,000.00 | | 2,475,000.00 | 60,275,000.00 | | 60,275,000.00 | 2,575,000.00 |
| COL STUD LOAN BDS SER'10 | 103,245,000.00 | | 3,740,000.00 | 99,505,000.00 | 7,917,797.74 | 107,422,797.74 | 4,385,752.81 |
| COL STUD LOAN RFD BDS SER'10 | 3,140,000.00 | | 3,140,000.00 | | | | |
| COL STUD LOAN BDS SER'11A | 112,335,000.00 | | 3,400,000.00 | 108,935,000.00 | 2,529,007.40 | 111,464,007.40 | 4,013,006.44 |
| COL STUD LOAN RFD BDS SER'11B | 1,110,000.00 | | 565,000.00 | 545,000.00 | 1,318.38 | 546,318.38 | 546,318.38 |
| COL STUD LOAN RFD BDS SER'11C | 6,570,000.00 | | | 6,570,000.00 | 326,225.70 | 6,896,225.70 | 96,734.68 |
| COL STUD LOAN BDS SER'12 | 85,100,000.00 | | 3,905,000.00 | 81,195,000.00 | 4,735,076.39 | 85,930,076.39 | 13,312,406.76 |
| COL STUD LOAN RFD BDS SER'13A | 60,520,000.00 | | 17,570,000.00 | 42,950,000.00 | 2,546,634.02 | 45,496,634.02 | 20,530,925.05 |
| COL STUD LOAN BDS SER'13B | 113,740,000.00 | | | 113,740,000.00 | 8,155,988.06 | 121,895,988.06 | 1,519,943.50 |
| COL STUD LOAN BDS SER'14 | 68,130,000.00 | | | 68,130,000.00 | 9,356,777.63 | 77,486,777.63 | 1,408,115.05 |
| COL STUD LOAN BDS SER'15 | 150,000,000.00 | | | 150,000,000.00 | 16,254,305.97 | 166,254,305.97 | 1,941,661.09 |
| COL STUD LOAN BDS SER'16 | | 158,065,000.00 | | 158,065,000.00 | 20,832,039.34 | 178,897,039.34 | 1,546,977.19 |
| Total General Obligation Bonds | \$ 920,595,000.00 | \$ 158,065,000.00 | \$ 58,445,000.00 | \$ 1,020,215,000.00 | \$ 72,655,170.63 | \$ 1,092,870,170.63 | \$ 71,196,840.95 |

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 2-C
DEBT SERVICE REQUIREMENTS

For the Year Ended August 31, 2017

Governmental Activities

| Description of Issue | Year | Principal | Interest |
|----------------------------------|-----------|-------------------------|-------------------------|
| <u>General Obligation Bonds:</u> | | | |
| COL STUD LOAN BDS SER'07A | 2018 | 2,830,000.00 | 2,868,687.50 |
| | 2019 | 2,980,000.00 | 2,720,112.50 |
| | 2020 | 3,135,000.00 | 2,563,662.50 |
| | 2021 | 3,300,000.00 | 2,399,075.00 |
| | 2022 | 3,475,000.00 | 2,225,825.00 |
| | 2023-2027 | 20,295,000.00 | 8,254,637.50 |
| | 2028-2032 | 20,390,000.00 | 2,613,750.00 |
| | | <u>\$ 56,405,000.00</u> | <u>\$ 23,645,750.00</u> |
| COL STUD LOAN RFD BDS SER'07B | 2018 | 6,685,000.00 | 334,250.00 |
| | | <u>\$ 6,685,000.00</u> | <u>\$ 334,250.00</u> |
| COL STUD LOAN BDS SER'08A | 2018 | 2,760,000.00 | 3,100,337.50 |
| | 2019 | 2,895,000.00 | 2,962,337.50 |
| | 2020 | 3,050,000.00 | 2,810,350.00 |
| | 2021 | 3,210,000.00 | 2,650,225.00 |
| | 2022 | 3,375,000.00 | 2,481,700.00 |
| | 2023-2027 | 19,680,000.00 | 9,615,762.50 |
| | 2028-2032 | 25,200,000.00 | 4,090,712.50 |
| | | <u>\$ 60,170,000.00</u> | <u>\$ 27,711,425.00</u> |
| COL STUD LOAN RFD BDS SER'08B | 2018 | 7,045,000.00 | 352,250.00 |
| | | <u>\$ 7,045,000.00</u> | <u>\$ 352,250.00</u> |
| COL STUD LOAN BDS SER'09 | 2018 | 2,575,000.00 | 2,969,593.76 |
| | 2019 | 2,700,000.00 | 2,840,843.76 |
| | 2020 | 2,810,000.00 | 2,732,843.76 |
| | 2021 | 2,950,000.00 | 2,592,343.76 |
| | 2022 | 3,095,000.00 | 2,444,843.76 |
| | 2023-2027 | 17,970,000.00 | 9,741,468.80 |
| | 2028-2032 | 22,895,000.00 | 4,811,531.28 |
| | 2033-2037 | 5,280,000.00 | 264,000.00 |
| | | <u>\$ 60,275,000.00</u> | <u>\$ 28,397,468.88</u> |

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 2-C
DEBT SERVICE REQUIREMENTS

For the Year Ended August 31, 2017

Governmental Activities

| Description of Issue | Year | Principal | Interest |
|-------------------------------|-----------|-------------------------|--------------------------|
| COL STUD LOAN BDS SER'10 | 2018 | 3,920,000.00 | 4,895,250.00 |
| | 2019 | 4,080,000.00 | 4,738,450.00 |
| | 2020 | 4,240,000.00 | 4,575,250.00 |
| | 2021 | 4,455,000.00 | 4,363,250.00 |
| | 2022 | 4,675,000.00 | 4,140,500.00 |
| | 2023-2027 | 27,125,000.00 | 16,953,250.00 |
| | 2028-2032 | 34,620,000.00 | 9,459,250.00 |
| | 2033-2037 | 16,390,000.00 | 1,239,250.00 |
| | | | <u>\$ 99,505,000.00</u> |
| COL STUD LOAN BDS SER'11A | 2018 | 3,565,000.00 | 5,446,750.00 |
| | 2019 | 3,745,000.00 | 5,268,500.00 |
| | 2020 | 3,935,000.00 | 5,081,250.00 |
| | 2021 | 4,130,000.00 | 4,884,500.00 |
| | 2022 | 4,335,000.00 | 4,678,000.00 |
| | 2023-2027 | 25,160,000.00 | 19,912,750.00 |
| | 2028-2032 | 32,105,000.00 | 12,962,500.00 |
| | 2033-2037 | 31,960,000.00 | 4,092,500.00 |
| | | | <u>\$ 108,935,000.00</u> |
| COL STUD LOAN RFD BDS SER'11B | 2018 | 545,000.00 | 16,350.00 |
| | | <u>\$ 545,000.00</u> | <u>\$ 16,350.00</u> |
| COL STUD LOAN RFD BDS SER'11C | 2018 | 0 | 328,500.00 |
| | 2019 | 1,590,000.00 | 328,500.00 |
| | 2020 | 1,625,000.00 | 249,000.00 |
| | 2021 | 1,660,000.00 | 167,750.00 |
| | 2022 | 1,695,000.00 | 84,750.00 |
| | | | <u>\$ 6,570,000.00</u> |
| COL STUD LOAN BDS SER'12 | 2018 | 11,500,000.00 | 3,976,406.26 |
| | 2019 | 18,805,000.00 | 3,372,656.26 |
| | 2020 | 13,185,000.00 | 2,338,381.26 |
| | 2021 | 7,295,000.00 | 1,613,206.26 |
| | 2022 | 1,065,000.00 | 1,211,981.26 |
| | 2023-2027 | 12,240,000.00 | 4,327,406.30 |
| | 2028-2032 | 10,120,000.00 | 2,285,337.52 |
| | 2033-2037 | 6,985,000.00 | 503,393.78 |
| | | <u>\$ 81,195,000.00</u> | <u>\$ 19,628,768.90</u> |

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 2-C
DEBT SERVICE REQUIREMENTS

For the Year Ended August 31, 2017

Governmental Activities

| Description of Issue | Year | Principal | Interest |
|-------------------------------|---------------|--------------------------|--------------------------|
| COL STUD LOAN RFD BDS SER'13A | 2018 | 19,035,000.00 | 2,147,500.00 |
| | 2019 | 20,015,000.00 | 1,195,750.00 |
| | 2020 | 895,000.00 | 195,000.00 |
| | 2021 | 545,000.00 | 150,250.00 |
| | 2022 | 1,000,000.00 | 103,000.00 |
| | 2023-2027 | 1,060,000.00 | 53,000.00 |
| | | | <u>\$ 42,950,000.00</u> |
| COL STUD LOAN BDS SER'13B | 2018 | 0 | 5,383,950.00 |
| | 2019 | 5,000,000.00 | 5,383,950.00 |
| | 2020 | 8,000,000.00 | 5,133,950.00 |
| | 2021 | 10,000,000.00 | 4,733,950.00 |
| | 2022 | 10,655,000.00 | 4,208,950.00 |
| | 2023-2027 | 58,025,000.00 | 11,988,312.50 |
| | 2028-2032 | 22,060,000.00 | 1,813,537.50 |
| | | <u>\$ 113,740,000.00</u> | <u>\$ 38,646,600.00</u> |
| COL STUD LOAN BDS SER'14 | 2018 | 0 | 3,536,800.00 |
| | 2019 | 1,905,000.00 | 3,536,800.00 |
| | 2020 | 2,320,000.00 | 3,422,500.00 |
| | 2021 | 6,535,000.00 | 3,283,300.00 |
| | 2022 | 6,900,000.00 | 2,885,200.00 |
| | 2023-2027 | 29,145,000.00 | 9,117,100.00 |
| | 2028-2032 | 21,225,000.00 | 1,720,000.00 |
| | | <u>\$ 68,130,000.00</u> | <u>\$ 27,501,700.00</u> |
| COL STUD LOAN BDS SER'15 | 2018 | 0 | 6,666,500.00 |
| | 2019 | 0 | 6,666,500.00 |
| | 2020 | 7,200,000.00 | 6,666,500.00 |
| | 2021 | 7,415,000.00 | 6,306,500.00 |
| | 2022 | 7,715,000.00 | 5,935,750.00 |
| | 2023-2027 | 44,320,000.00 | 23,534,250.00 |
| | 2028-2032 | 56,565,000.00 | 12,365,600.00 |
| 2033-2037 | 26,785,000.00 | 1,620,200.00 | |
| | | <u>\$ 150,000,000.00</u> | <u>\$ 69,761,800.00</u> |
| COL STUD LOAN BDS SER'16 | 2018 | 0.00 | 8,459,325.00 |
| | 2019 | 0.00 | 8,459,325.00 |
| | 2020 | 0.00 | 8,459,325.00 |
| | 2021 | 4,510,000.00 | 8,459,325.00 |
| | 2022 | 4,780,000.00 | 8,188,725.00 |
| | 2023-2027 | 28,275,000.00 | 36,565,750.00 |
| | 2028-2032 | 36,950,000.00 | 27,886,750.00 |
| 2033-2037 | 48,240,000.00 | 16,596,000.00 | |
| 2038-2040 | 35,310,000.00 | 3,588,500.00 | |
| | | <u>\$ 158,065,000.00</u> | <u>\$ 126,663,025.00</u> |

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 2-D

ANALYSIS OF FUNDS AVAILABLE FOR DEBT SERVICE

For the Year Ended August 31, 2017

Governmental Activities

| <u>Description of Issue</u> | <u>Application of Funds</u> | |
|---------------------------------|-----------------------------|------------------|
| | <u>Principal</u> | <u>Interest</u> |
| <u>General Obligation Bonds</u> | | |
| COL STUD LOAN BDS | \$ 58,445,000.00 | \$ 50,294,235.02 |

