

Texas Higher Education Coordinating Board



Annual Financial Report
For the Year Ended August 31, 2016

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

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TEXAS HIGHER EDUCATION COORDINATING BOARD

P.O. Box 12788 Austin, Texas 78711

November 20, 2016

Robert W. Jenkins
CHAIR

Stuart W. Stedman
VICE CHAIR

David D. Teuscher, M.D.
SECRETARY OF THE BOARD

Haley R. DeLaGarza
STUDENT REPRESENTATIVE

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

Raymund A. Paredes
COMMISSIONER
OF HIGHER EDUCATION

512/ 427-6101
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Web site:
<http://www.theccb.state.tx.us>

To: Honorable Greg Abbott, Governor
Honorable Glenn Hegar, Texas Comptroller
Ursula Parks, Director, Legislative Budget Board
John Keel, CPA, 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 08/31/2016, 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, 2016

	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	\$ 3,704,980.72	\$ 875,687.82	\$	\$
On Hand	100.00			
In State Treasury	279,713,549.98	127,909,935.69	124,599,318.22	11,027,629.23
Legislative Appropriations	63,179,428.23			
Receivable From:				
Accounts Receivable	214,877.07	45,845.81	1,045,051.48	
Federal	7,152,243.31			
Interest and Dividends (net of Allowance for Doubtful Accounts of \$4,838,071.20)	50,042.07	9,091,759.84	189,252.61	7,727.79
Due From Other Funds (Note 12)		943,416.98		
Due From Other Agencies (Note 12)	4,129,285.60			513,262.60
Prepaid Items	56,115.09			
Loans & Contracts (net of Allowance for Doubtful Accounts of \$2,312,064.32)	5,497,411.47			
Restricted:				
Loans & Contracts (net of Allowance for Doubtful Accounts of \$17,678,731.38)	10,884,411.43	88,534,927.53		
Total Current Assets	<u>374,582,444.97</u>	<u>227,401,573.67</u>	<u>125,833,622.31</u>	<u>11,548,619.62</u>
Non-Current Assets:				
Receivable From:				
Interest and Dividends (net of Allowance for Doubtful Accounts of \$850,077.41)	497,163.49			
Loans & Contracts (net of Allowance for Doubtful Accounts of \$23,025,126.40)	54,747,003.67			
Restricted:				
Receivable From:				
Interest and Dividends (net of Allowance for Doubtful Accounts of \$47,330,762.27)	365.58	90,541,646.77		
Loans & Contracts (net of Allowance for Doubtful Accounts of \$176,056,964.05)	108,394,453.71	881,691,688.72		
Capital Assets (Note 2):				
Depreciable:				
Furniture and equipment				
Accumulated depreciation				
Net depreciable capital assets				
Total Non-Current Assets	<u>163,638,986.45</u>	<u>972,233,335.49</u>		
TOTAL ASSETS	<u>\$ 538,221,431.42</u>	<u>\$ 1,199,634,909.16</u>	<u>\$ 125,833,622.31</u>	<u>\$ 11,548,619.62</u>

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT I
 COMBINED BALANCE SHEET/STATEMENT OF NET POSITION
 GOVERNMENTAL FUNDS
 For the Year Ended August 31, 2016

Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Net Position
\$ 4,580,668.54	\$	\$	\$ 4,580,668.54
100.00			100.00
543,250,433.12			543,250,433.12
63,179,428.23			63,179,428.23
1,305,774.36			1,305,774.36
7,152,243.31			7,152,243.31
9,338,782.31			9,338,782.31
943,416.98			943,416.98
4,642,548.20			4,642,548.20
56,115.09			56,115.09
5,497,411.47			5,497,411.47
99,419,338.96			99,419,338.96
739,366,260.57			739,366,260.57
497,163.49			497,163.49
54,747,003.67			54,747,003.67
90,542,012.35			90,542,012.35
990,086,142.43			990,086,142.43
	811,836.54		811,836.54
	(748,726.72)		(748,726.72)
	63,109.82		63,109.82
1,135,872,321.94	63,109.82		1,135,935,431.76
\$ 1,875,238,582.51	\$ 63,109.82	\$	\$ 1,875,301,692.33

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TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT I
COMBINED BALANCE SHEET/STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
 For the Year Ended August 31, 2016

	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	\$ 96,472.36	\$	\$	\$
Accounts - Grants and Loans	6,548,395.21	1,005,368.81		512,673.17
Payroll	1,772,081.03			
Due To Other Funds (Note 12)		943,416.98		
Bond Interest Payable				
Employees' Compensable Leave Payable (Note 5)				
General Obligation Bonds Payable (Note 5, 6)				
Due To Other Agencies (Note 12)	19,146,280.10			473,393.04
Total Current Liabilities	27,563,228.70	1,948,785.79		986,066.21
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	27,563,228.70	1,948,785.79		986,066.21
FUND FINANCIAL STATEMENT-FUND BALANCES				
Fund Balances (Deficits):				
Nonspendable-Prepaid Items	56,115.09			
Nonspendable-LT Contract and Receivables	55,244,167.16			
Restricted	729,552.39	1,197,686,123.37	125,833,622.31	
Committed	399,274,825.28			10,562,553.41
Assigned	59,416.26			
Unassigned	55,294,126.54			
Total Fund Balances	510,658,202.72	1,197,686,123.37	125,833,622.31	10,562,553.41
TOTAL LIABILITIES AND FUND BALANCES	\$ 538,221,431.42	\$ 1,199,634,909.16	\$ 125,833,622.31	\$ 11,548,619.62

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, 2016

Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Net Position
\$ 96,472.36	\$	\$	\$ 96,472.36
8,066,437.19			8,066,437.19
1,772,081.03			1,772,081.03
943,416.98			943,416.98
19,619,673.14		3,744,721.88	3,744,721.88
		757,721.74	757,721.74
		69,072,249.75	69,072,249.75
			19,619,673.14
30,498,080.70		73,574,693.37	104,072,774.07
\$	\$	\$ 860,046.44	\$ 860,046.44
		913,973,131.28	913,973,131.28
		7,001,227.66	7,001,227.66
		921,834,405.38	921,834,405.38
30,498,080.70		995,409,098.75	1,025,907,179.45
56,115.09			56,115.09
55,244,167.16			55,244,167.16
1,324,249,298.07			1,324,249,298.07
409,837,378.69			409,837,378.69
59,416.26			59,416.26
55,294,126.54			55,294,126.54
1,844,740,501.81			1,844,740,501.81
\$ 1,875,238,582.51			
	63,109.82		63,109.82
		(986,790,102.91)	(986,790,102.91)
		(8,618,995.84)	(8,618,995.84)
\$ 63,109.82	\$ (995,409,098.75)	\$ 849,394,512.88	\$ 849,394,512.88

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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, 2016

	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	\$ 1,656,766,474.51	\$	\$	\$
Additional Legislative Appropriation Revenue	2,921,895.06			
Federal Revenues	6,613,025.65	30,101.31	22,860.42	
Federal Grant Pass-Through Revenues	27,224,128.68			
State Grant Pass-Through Revenues	(287,354.00)			
Licenses, Fees and Permits	2,362,255.52	3,735,169.89		
Interest and Investment Income	1,120,013.85	59,307,433.83	2,246,333.24	2,130,260.65
Other Revenues	1,329,280.50			
Total Revenues	<u>1,698,049,719.77</u>	<u>63,072,735.03</u>	<u>2,269,193.66</u>	<u>2,130,260.65</u>
EXPENDITURES				
Salaries & Wages	16,381,797.21			
Payroll Related Costs	4,700,261.86			
Professional Fees & Services	3,710,559.36			
Travel	185,343.75			
Materials & Supplies	843,916.99			
Communication & Utilities	408,102.62			
Repairs & Maintenance	78,977.92			
Rentals & Leases	2,326,572.01			
Printing & Reproduction	9,637.99			
Federal Grant Pass-Through Expenditures	6,758,224.14			
State Grant Pass-Through Expenditures	522,341,520.44	5,000.00		2,359,445.92
Intergovernmental Payments	1,103,655,491.64			2,893,925.76
Public Assistance Payments	26,429,590.90			8,906.55
Other Expenditures	(2,013,506.25)	22,441,226.45		
Debt Service:				
Principal		89,015.77	56,280,984.23	
Interest		50,680.79	44,954,637.30	
Other Financing Fees		517,552.39		
Capital Outlays	45,998.26			
Depreciation and Amortization Expense				
Total Expenditures	<u>1,685,862,488.84</u>	<u>23,103,675.40</u>	<u>101,235,621.53</u>	<u>5,262,278.23</u>
Excess (Deficiency) Of Revenues Over Expenditures	<u>12,187,230.93</u>	<u>39,969,029.63</u>	<u>(98,966,427.87)</u>	<u>(3,132,017.58)</u>

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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, 2016

Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Activities
\$ 1,656,766,474.51	\$	\$	\$ 1,656,766,474.51
2,921,895.06			2,921,895.06
6,665,987.38			6,665,987.38
27,224,128.68			27,224,128.68
(287,354.00)			(287,354.00)
6,097,425.41			6,097,425.41
64,804,041.57			64,804,041.57
1,329,280.50			1,329,280.50
<u>1,765,521,879.11</u>			<u>1,765,521,879.11</u>
16,381,797.21		(79,653.51)	16,302,143.70
4,700,261.86			4,700,261.86
3,710,559.36			3,710,559.36
185,343.75			185,343.75
843,916.99			843,916.99
408,102.62			408,102.62
78,977.92			78,977.92
2,326,572.01			2,326,572.01
9,637.99			9,637.99
6,758,224.14			6,758,224.14
524,705,966.36			524,705,966.36
1,106,549,417.40			1,106,549,417.40
26,438,497.45			26,438,497.45
20,427,720.20		613,216.71	21,040,936.91
56,370,000.00		(56,370,000.00)	0.00
45,005,518.09		343,018.75	45,348,536.84
517,552.39			517,552.39
45,998.26	(45,998.26)		
	<u>12,016.86</u>	<u>(10,655,952.17)</u>	<u>(10,643,935.31)</u>
<u>1,815,464,064.00</u>	<u>(33,981.40)</u>	<u>(66,149,370.22)</u>	<u>1,749,280,712.38</u>
<u>(49,942,184.89)</u>	<u>33,981.40</u>	<u>66,149,370.22</u>	<u>16,241,166.73</u>

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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, 2016

	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	\$	\$ 150,000,000.00	\$	\$
Premium on Sale of Bonds		19,502,970.80		
Appropriations Lapsed	(386,567.20)			
Transfers In (Note 12)	32,329,894.38	34,403,509.73	122,252,900.01	3,144,582.48
Transfers Out (Note 12)	(44,407,652.63)	(148,773,519.49)	(20,000,364.67)	
Legislative Transfers Out (Note 12)	(1,200,000.00)			
Total Other Financing Sources (Uses)	(13,664,325.45)	55,132,961.04	102,252,535.34	3,144,582.48
Net Change in Fund Balances\Net Position	(1,477,094.52)	95,101,990.67	3,286,107.47	12,564.90
Fund Financial Statement-Fund Balances				
Fund Balances-September 1, 2015	512,135,297.24	1,104,157,450.84	122,547,514.84	10,549,988.51
Restatements (Note 14)		(1,573,318.14)		
Fund Balances-September 1, 2015, as Restated	512,135,297.24	1,102,584,132.70	122,547,514.84	10,549,988.51
FUND BALANCES - August 31, 2016	\$ 510,658,202.72	\$ 1,197,686,123.37	\$ 125,833,622.31	\$ 10,562,553.41
Government-Wide Statement of Net Position				
Net Position/Net Change in Net Position				
Net Position, September 1, 2015				
NET POSITION, August 31, 2016				

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, 2016

Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Activities
\$ 150,000,000.00	\$	\$ (150,000,000.00)	\$ 0.00
19,502,970.80		(19,502,970.80)	0.00
(386,567.20)			(386,567.20)
192,130,886.60			192,130,886.60
(213,181,536.79)			(213,181,536.79)
<u>(1,200,000.00)</u>			<u>(1,200,000.00)</u>
146,865,753.41		<u>(169,502,970.80)</u>	<u>(22,637,217.39)</u>
96,923,568.52	33,981.40	(103,353,600.58)	(6,396,050.66)
1,749,390,251.43			1,749,390,251.43
<u>(1,573,318.14)</u>			<u>(1,573,318.14)</u>
<u>1,747,816,933.29</u>			<u>1,747,816,933.29</u>
<u>\$ 1,844,740,501.81</u>	<u>\$ 33,981.40</u>	<u>\$ (103,353,600.58)</u>	<u>\$ 1,741,420,882.63</u>
<u>1,844,740,501.81</u>	<u>33,981.40</u>	<u>(103,353,600.58)</u>	<u>1,741,420,882.63</u>
	<u>29,128.42</u>	<u>(892,055,498.17)</u>	<u>(892,026,369.75)</u>
<u>\$ 1,844,740,501.81</u>	<u>\$ 63,109.82</u>	<u>\$ (995,409,098.75)</u>	<u>\$ 849,394,512.88</u>

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT VI
 COMBINED STATEMENT OF FIDUCIARY NET POSITION
 For the Year Ended August 31, 2016

	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	\$ 372,163.07	\$ 3,246.00	\$ 375,409.07
Receivables From			
Interest and Dividends	13.83		13.83
Total Current Assets	<u>372,176.90</u>	<u>3,246.00</u>	<u>375,422.90</u>
TOTAL ASSETS	<u>372,176.90</u>	<u>3,246.00</u>	<u>375,422.90</u>
LIABILITIES			
Current Liabilities:			
Payables from			
Accounts - Grants and Loans	372,176.90		372,176.90
Funds Held for Others		3,246.00	3,246.00
Total Current Liabilities	<u>372,176.90</u>	<u>3,246.00</u>	<u>375,422.90</u>
TOTAL LIABILITIES	<u>372,176.90</u>	<u>3,246.00</u>	<u>375,422.90</u>
NET POSITION			
Held in trust for			
Individuals, Organizations, and Other Government	<u> </u>	<u> </u>	<u> </u>
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, TX Research University Fund, License Plate Trust Fund, Trauma Facility & EMS and Emerging Technology Account.

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 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.

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

Capital Asset Adjustment Fund Type

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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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.

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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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GASB 54 Fund Balance classification by Purpose (as of August 31, 2016)

	Consolidated Funds			
	0001	0802	5103	5144
	General Fund	License Plate Trust Fund	B-On-Time	Physician Ed Loan Repay
Nonspendable - Prepaids				
State Loan Programs	\$ 56,115.09			
Nonspendable - LT Contract and Receivables				
Armed Services Scholarships	7,064,026.32			
Teach for Texas Programs	1,166,339.02			
Texas B-on-Time Prog Private	47,013,601.82			
Restricted:				
Debt Service				
Federal Programs	268,500.00			
Physician - LRP	335,229.00			
Planning/Info/Evaluation	86,606.27			
Speech Pathology - LRP	9,529.00			
St. David's - LRP	29,686.12			
Student Loans				
Committed:				
Baylor College of Medicine				
College Readiness and Success	22,035.75			
License Plate Scholarships		120,285.63		
Minority Health Research/Ed				
Nursing & Allied Health				
Nursing Faculty - LRP				340,331.70
Physician - LRP				132,497,363.12
Student Grants & Special Prog	1,840.68			
Texas B-on-Time Program Public			266,200,094.63	
Workforce, Acad Affairs, & Rsch	92,673.57			
Assigned:				
Apply TX--Common Application	0.16			
Conferences	59,316.10			
Petty Cash	100.00			
Unassigned:				
Accelerate TX CC Grants	2,400,311.74			
Advanced Research Program	43,675.83			
Advise Texas	300.00			
Armed Services Scholarships	1,386,901.49			
Autism Program	1,720,204.00			
Baylor College of Medicine	6,783,906.22			
Central Administration	431,929.91			
College Readiness and Success	381,879.62			
College Work Study Program	671,527.36			
Dental Education - LRP	239,694.57			
Developmental Ed Program	668,846.58			
Educational Aide Program	98,358.56			
Engineering Recruitment Prog	13,921.92			
Family Practice Residency	143,562.72			
GME Expansion	12,405,000.00			
Graduate Medical Education	366,435.72			
Information Resources	336,936.71			
Math & Science - LRP	1,287,500.00			
Mental Health - LRP	850,000.00			
OAG Attorney - LRP	3,892.00			
Operating & Support	16,308.21			
Planning/Info/Evaluation	153,620.32			
Preceptorship Programs	1.50			
Primary Care Innovation Progra	2,100,000.00			
Prof Nursing Shortage Reduction	2,986,485.32			
Public Community/Jr Colleges	173,254.00			
State Loan Programs	(12,187.54)			
Teach for Texas Programs	2,669,831.92			
Texas B-on-Time Prog Private	8,114,102.29			
Texas Education Opportunity Grant	325,993.00			
Top 10% Scholarships	87,766.23			
T-STEM Scholarship	7,550,971.43			
Tuition Equalization Grants	25,555.13			
TX Grant Program	121,051.67			
TX Teacher Residency Program	473,460.32			
Workforce, Acad Affairs, & Rsch	248,533.62			
Unappropriated	24,594.17			
Grand Total	\$ 111,500,127.44	120,285.63	266,200,094.83	132,837,694.82

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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, 2016)

Special Revenue Funds			Permanent Funds			Debt Service Funds	
0387	0601	1697	0810	0824	0826	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
							\$ 56,115.09
							7,064,026.32
							1,166,339.02
							47,013,801.82
						125,833,622.31	125,833,622.31
							268,500.00
							335,229.00
							86,606.27
							9,529.00
							29,688.12
153,040,884.90	1,043,577,328.75	1,067,909.72					1,197,686,123.37
			7.25				7.25
							22,035.75
							120,265.63
					4,688,402.78		4,688,402.78
				5,874,143.38			5,874,143.38
							340,331.70
							132,497,363.12
							1,840.68
							266,200,094.83
							92,873.57
							0.16
							58,316.10
							100.00
							2,400,311.74
							43,675.83
							300.00
							1,386,901.49
							1,720,204.00
							6,783,906.22
							431,929.91
							381,879.62
							671,527.36
							239,694.57
							668,846.58
							98,358.56
							13,921.92
							143,562.72
							12,405,000.00
							366,435.72
							336,936.71
							1,287,500.00
							850,000.00
							3,892.00
							16,308.21
							153,620.32
							1.50
							2,100,000.00
							2,986,485.32
							173,254.00
							(12,167.54)
							2,669,831.92
							8,114,102.29
							325,993.00
							87,766.23
							7,550,971.43
							25,555.13
							121,051.67
							473,460.32
							246,533.62
							24,594.17
153,040,884.90	1,043,577,328.75	1,067,909.72	7.25	5,874,143.38	4,688,402.78	125,833,622.31	\$ 1,844,740,501.81

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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, 2015, is presented below:

	PRIMARY GOVERNMENT			
	Balance 9/1/2015	Additions	Deletions	Balance 8/31/2016
GOVERNMENTAL ACTIVITIES				
Depreciable Assets				
Furniture and Equipment	\$ 822,961.52	\$ 45,998.26	\$ (57,123.24)	\$ 811,836.54
Total Depreciable Assets	822,961.52	45,998.26	(57,123.24)	811,836.54
Less Accumulated Depreciation for:				
Furniture and Equipment	(793,833.10)	(12,016.86)	57,123.24	(748,726.72)
Total Accumulated Depreciation	(793,833.10)	(12,016.86)	57,123.24	(748,726.72)
Depreciable Assets, Net	29,128.42	33,981.40	-	63,109.82
Governmental Activities Capital Assets, Net	\$ 29,128.42	\$ 33,981.40	\$ -	\$ 63,109.82

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, 2016, the following changes occurred in liabilities:

Governmental Activities	Balance 09/01/2015	Additions	Reductions	Other Changes	Balance 08/31/2016	Amounts Due Within One Year
General Obligation Bonds Payable	\$880,568,362.40	\$150,000,000.00	(\$56,370,000.00)	\$8,847,018.63	\$983,045,381.03	\$69,072,249.75
Compensable Leave	1,697,421.69	1,097,408.07	(1,177,061.58)		1,617,768.18	757,721.74
Arbitrage Rebate Liability	6,388,010.95	613,216.71			7,001,227.66	
Total Governmental Activities	\$888,653,795.04	\$151,710,624.78	(\$57,547,061.58)	\$8,847,018.63	\$991,664,376.87	\$69,829,971.49

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, 2016, bonds payable consisted of sixteen general obligation issues for student loans totaling \$920,595,000.00. Bond issue dates for all College Student Bonds range from June 28, 2007 to December 15, 2015.

The Texas Constitution limits the amount of bonds that can be issued by the THECB. As of August 31, 2016 the authorized but unissued bonds totaled \$1,214,895,153.00 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 2016, the THECB sold \$150,000,000.00 State of Texas College Student Loan Bonds, Series 2015. They were issued as General Obligation Bonds, with a delivery date of December 15, 2015. The proceeds of the issue included a Net Original Issue Premium of \$19,502,970.80. Costs of Issuance totaled \$489,652.39, and were paid out of funds on hand. The proceeds from the Series 2015 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 2016.

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

Fund Type	Amount
General Fund	1,431,254.18

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
2017	1,440,500.43
2018	1,440,500.43
2019	1,440,500.43
2020	1,440,500.43
Total minimum future lease rental payments	\$5,762,001.72

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, 2016, were as follows:

<u>Interagency Balances:</u>	<u>Due From Other</u>	<u>Due To Other</u>
	<u>Funds/Agencies</u>	<u>Funds/Agencies</u>
<u>GOVERNMENTAL FUNDS:</u>		
GENERAL FUND:		
Fund 0001:	\$ 4,009,082.75	\$ 15,463,722.76
Fund 0802:	120,202.85	
SPECIAL REVENUE FUND:		
Fund 0387:	940,751.02	
Fund 0601:	2,665.96	943,416.98
PERMANENT FUND:		
Fund 0810:	512,673.17	
Fund 0824:	589.43	74,113.96
Fund 0825:		399,279.08
Total Due From/Due To Other Agencies (Ex I)	\$ <u>5,585,965.18</u>	\$ <u>20,563,090.12</u>

<u>Operating Transfers:</u>	<u>Transfers In</u>	<u>Transfers Out</u>
<u>GOVERNMENTAL FUNDS:</u>		
GENERAL FUND:		
Fund 0001:	\$ 13,404,539.66	\$ 43,849,198.43
Fund 5103:	1,371,910.07	
Fund 5111:	8,578,240.88	558,454.20
Fund 5124:	8,972,004.00	
Fund 5144:	3,199.77	
SPECIAL REVENUE FUND:		
Fund 0387:	27,845,621.56	41,224,194.63
Fund 0601:	6,557,870.48	107,119,876.87
Fund 0697:	17.69	429,447.99
DEBT SERVICE FUND:		
Fund 0388:	122,252,900.01	20,000,364.67
PERMANENT FUND:		
Fund 0824:	2,020,831.52	
Fund 0825:	1,123,750.96	
Total Operating Transfers In/Out (Ex II)	\$ <u>192,130,886.60</u>	\$ <u>213,181,536.79</u>

<u>FIDUCIARY FUNDS:</u>		
PRIVATE PURPOSE TRUST FUND		
Fund 0823:	1,489,226.27	
Total Transfers In/Out (Ex VII)	\$ <u>1,489,226.27</u>	

<u>Legislative Transfers</u>		
GENERAL FUND:		
Fund 0001:		1,200,000.00
Total Legislative Transfers In/Out (Ex II)	\$ <u>1,200,000.00</u>	

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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 VCAL Loan Related Adjustments:

An internal review identified the interest rate on student loans for the variable rate College Access Loan (CAL) program had not been reset for several years. The accounts were corrected and interest rates aligned subsequent to 8/31/2015. As a result, the agency restated the beginning fund balance for Exhibit B-2 in the amount of \$1,593,318.14.

Restatement for Bond Rating Payment Adjustment:

A duplicate payment was made to a bond rating agency in FY2015 which overstated the level of bond related expenditures during the same time period. Subsequent to 8/31/2015, the THECB recovered the funds from the vendor. A restatement of beginning fund balance for Exhibit B-2 in the amount of \$20,000 was recorded to reflect the receivable from the vendor.

For FY 2016, fund balances have been restated as follows:

RESTATEMENTS BY GOVERNMENTAL FUND TYPE		
Restatements		Special Revenue (Exhibit B-2)
Fund Bal/Net Assets-September 1, 2015	\$	1,104,157,450.84
Restatements		(1,573,318.14)
Fund Bal/Net Assets-September 1, 2015, as restated	\$	1,102,584,132.70

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.

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

It is estimated that \$7,001,227.66 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.

NOTE 16: SUBSEQUENT EVENTS

The agency expects to close on a \$180 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 2016", and will have an anticipated closing date of December 15th, 2016.

Bond Issuance	Series	Estimated Issue Amount	Expected Date of Issuance	Purpose
General Obligation Bonds	2016	\$180,000,000	12/15/2016	Fund ongoing student loan program

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 2016, 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 2016 was \$22,094.97. 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 2016 were \$8,382.48.

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 2016, 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	6,388,010.95	613,216.71	-	7,001,227.66

NOTE 18: MANAGEMENT DISCUSSION AND ANALYSIS

The THECB issued one bond series in FY 2016 for a total par value of \$150,000,000. 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 corporation that is organized to support THECB program initiatives. Based on GASB 14/39 criteria, CFAT is categorized as a related organization to THECB.

NOTE 20: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Not Applicable.

NOTE 22: DONOR RESTRICTED ENDOWMENTS

Not Applicable.

UNAUDITED

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

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.

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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, 2016

	General (0001) (Note A)	Consolidated Funds	
		License Plate Trust Fund (0802) U/F (0802)	TX Research University Fund (0180) U/F (0180)
ASSETS			
Current Assets:			
Cash:			
Shared Funds	\$	\$	\$
On Hand	100.00		3,682,557.34
In State Treasury			
Legislative Appropriations	63,179,428.23		
Receivable From:			
Accounts Receivable	191,874.19		
Federal	7,152,243.31		
Interest and Dividends (net of Allowance for Doubtful Accounts of \$200,403.42)	49,922.59	82.78	
Due From Other Agencies (Note 12)	4,009,082.75	120,202.85	
Prepaid Items	56,115.09		
Loans & Contracts (net of Allowance for Doubtful Accounts of \$2,312,064.32)	5,497,411.47		
Restricted			
Loans & Contracts (net of Allowance for Doubtful Accounts of \$4,195,084.48)			
Total Current Assets	80,136,177.63	120,285.63	3,682,557.34
Non-Current Assets:			
Receivable From:			
Interest and Dividends (net of Allowance for Doubtful Accounts of \$850,077.41)	497,163.49		
Loans & Contracts (net of Allowance for Doubtful Accounts of \$23,025,126.40)	54,747,003.67		
Restricted:			
Receivable From:			
Interest and Dividends (net of Allowance for Doubtful Accounts of \$1,145,677.55)			
Loans & Contracts (net of Allowance for Doubtful Accounts of \$41,777,535.97)			
Total Non-Current Assets	55,244,167.16		
TOTAL ASSETS	\$ 135,380,344.79	\$ 120,285.63	\$ 3,682,557.34

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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, 2016

Consolidated Funds				
Texas B-On-Time (5103) U/F (5103)	Trauma Facility And EMS (5111) U/F (5111)	Emerging Technology Acct (5124) U/F (5124)	Physician Ed LRP (5144) U/F (5144)	TOTALS (Exhibit I)
\$	\$	\$	\$ 22,423.38	\$ 3,704,980.72
146,897,824.53			132,815,725.45	100.00
				279,713,549.98
23,002.88				63,179,428.23
36.70				214,877.07
				7,152,243.31
				50,042.07
				4,129,285.60
10,884,411.43				56,115.09
				5,497,411.47
				10,884,411.43
157,805,275.54			132,838,148.83	374,582,444.97
				497,163.49
				54,747,003.67
365.58				365.58
108,394,453.71				108,394,453.71
108,394,819.29				163,638,986.45
\$ 266,200,094.83	\$	\$	\$ 132,838,148.83	\$ 538,221,431.42

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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, 2016

	General (0001) (Note A)	Consolidated Funds	
		License Plate Trust Fund (0802) U/F (0802)	TX Research University Fund (0180) U/F (0180)
LIABILITIES AND FUND BALANCES			
Current Liabilities:			
Payables from:			
Accounts - Vendors	\$ 96,472.36	\$	\$
Accounts - Grants and Loans	6,547,941.20		
Payroll	1,772,081.03		
Due To Other Agencies (Note 12)	15,463,722.76		3,682,557.34
Total Liabilities	23,880,217.35		3,682,557.34
FUND FINANCIAL STATEMENT-FUND BALANCES			
Fund Balances (Deficits):			
Nonspendable-Prepaid Items	56,115.09		
Nonspendable-LT Contract and Receivables	55,244,167.16		
Restricted	729,552.39		
Committed	116,750.00	120,285.63	
Assigned	59,416.26		
Unassigned	55,294,126.54		
Total Fund Balances	111,500,127.44	120,285.63	
TOTAL LIABILITIES AND FUND BALANCES	\$ 135,380,344.79	\$ 120,285.63	\$ 3,682,557.34

Note A: Includes USAS fund numbers 0001 and 0002.

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)

EXHIBIT A-1
 COMBINING BALANCE SHEET
 ALL GENERAL AND CONSOLIDATED FUNDS
 For the Year Ended August 31, 2016

Consolidated Funds				
Texas B-On-Time (5103) U/F (5103)	Trauma Facility And EMS (5111) U/F (5111)	Emerging Technology Acct (5124) U/F (5124)	Physician Ed LRP (5144) U/F (5144)	TOTALS (Exhibit I)
\$	\$	\$	\$	\$
			454.01	96,472.36
				6,548,395.21
				1,772,081.03
				19,146,280.10
			454.01	27,563,228.70
				56,115.09
				55,244,167.16
266,200,094.83			132,837,694.82	729,552.39
				399,274,825.28
				59,416.26
				55,294,126.54
266,200,094.83			132,837,694.82	510,658,202.72
\$ 266,200,094.83	\$	\$	\$ 132,838,148.83	\$ 538,221,431.42

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, 2016

	General (0001) (Note A)	Consolidated Funds	
		License Plate Trust Fund (0802) U/F (0802)	TX Research University Fund (0180) U/F (0180)
REVENUES			
Legislative Appropriations:			
Original Legislative Appropriation Revenue	\$ 1,656,766,474.51	\$	\$
Additional Legislative Appropriation Revenue	2,921,895.06		
Federal Revenues	6,613,025.65		
Federal Grant Pass-Through Revenues	27,224,128.68		
State Grant Pass-Through Revenues	(287,354.00)		
Licenses, Fees and Permits	738,907.96	181,839.75	
Interest and Investment Income	651,328.77	737.61	
Other Revenues	1,329,280.50		
Total Revenues	1,695,957,687.13	182,577.36	
EXPENDITURES			
Salaries & Wages	16,331,769.96		
Payroll Related Costs	4,683,617.63		
Professional Fees & Services	3,541,492.75		
Travel	185,343.75		
Materials & Supplies	654,500.76		
Communication & Utilities	408,102.62		
Repairs & Maintenance	78,977.92		
Rentals & Leases	2,326,572.01		
Printing & Reproduction	9,637.99		
Federal Grant Pass-Through Expenditures	6,758,224.14		
State Grant Pass-Through Expenditures	508,699,596.86		
Intergovernmental Payments	1,103,058,924.74	170,790.10	
Public Assistance Payments	14,110,750.83	23,715.33	
Other Expenditures	(436,596.59)		
Capital Outlays	45,998.26		
Total Expenditures	1,660,456,913.63	194,505.43	
Excess (Deficiency) Of Revenues Over Expenditures	35,500,773.50	(11,928.07)	

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, 2016

Consolidated Funds					TOTALS (Exhibit II)
Texas B-On-Time (5103) U/F (5103)	Trauma Facility And EMS (5111) U/F (5111)	Emerging Technology Acct (5124) U/F (5124)	Physician Ed LRP (5144) U/F (5144)		
\$	\$	\$	\$	\$	1,656,766,474.51
					2,921,895.06
					6,613,025.65
					27,224,128.68
					(287,354.00)
1,441,507.81					2,362,255.52
467,947.47					1,120,013.85
					1,329,280.50
<u>1,909,455.28</u>					<u>1,698,049,719.77</u>
27.25	50,000.00				16,381,797.21
3,103.36	13,540.87				4,700,261.86
169,066.61					3,710,559.36
					185,343.75
189,416.23					843,916.99
					408,102.62
					78,977.92
					2,326,572.01
					9,637.99
					6,758,224.14
	4,669,919.58	8,972,004.00			522,341,520.44
	425,776.80				1,103,655,491.64
	2,923,494.00		9,371,630.74		26,429,590.90
(1,581,909.66)	5,000.00				(2,013,506.25)
					45,998.26
<u>(1,220,296.21)</u>	<u>8,087,731.25</u>	<u>8,972,004.00</u>	<u>9,371,630.74</u>		<u>1,685,862,488.84</u>
<u>3,129,751.49</u>	<u>(8,087,731.25)</u>	<u>(8,972,004.00)</u>	<u>(9,371,630.74)</u>		<u>12,187,230.93</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, 2016

	General (0001) (Note A)	Consolidated Funds	
		License Plate Trust Fund (0802) U/F (0802)	TX Research University Fund (0180) U/F (0180)
OTHER FINANCING SOURCES (USES)			
Appropriations Lapsed	\$ (386,567.20)	\$	\$
Transfers In (Note 12)	13,404,539.66		
Transfers Out (Note 12)	(43,849,198.43)		
Legislative Transfers Out (Note 12)	(1,200,000.00)		
Total Other Financing Sources (Uses)	(32,031,225.97)		
Net Change in Fund Balances\Net Assets	3,469,547.53	(11,928.07)	
Fund Financial Statement-Fund Balances			
Fund Balances-September 1, 2015	108,030,579.91	132,213.70	
FUND BALANCES - August 31, 2016	\$ 111,500,127.44	\$ 120,285.63	\$

Note A: Includes USAS fund numbers 0001 and 0002.

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, 2016

Consolidated Funds				
Texas B-On-Time (5103) U/F (5103)	Trauma Facility And EMS (5111) U/F (5111)	Emerging Technology Acct (5124) U/F (5124)	Physician Ed LRP (5144) U/F (5144)	TOTALS (Exhibit II)
\$ 1,371,910.07	\$ 8,578,240.88 (558,454.20)	\$ 8,972,004.00	\$ 3,199.77	\$ (386,567.20) 32,329,894.38 (44,407,652.63) (1,200,000.00)
<u>1,371,910.07</u>	<u>8,019,786.68</u>	<u>8,972,004.00</u>	<u>3,199.77</u>	<u>(13,664,325.45)</u>
4,501,661.56	(67,944.57)		(9,368,430.97)	(1,477,094.52)
<u>261,698,433.27</u>	<u>67,944.57</u>		<u>142,206,125.79</u>	<u>512,135,297.24</u>
<u>\$ 266,200,094.83</u>	<u>\$</u>	<u>\$</u>	<u>\$ 132,837,694.82</u>	<u>\$ 510,658,202.72</u>

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TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT B-1
COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS
For the Year Ended August 31, 2016

	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	\$	\$	\$	\$ 875,687.82	\$ 875,687.82
In State Treasury	10,241,835.52	117,580,191.26	87,908.91		127,909,935.69
Receivables from:					
Accounts Receivable		45,845.81			45,845.81
Interest and Dividends (Less Allowance for Doubtful Accounts of (\$4,637,667.78))	1,140,638.00	7,939,654.81	11,467.03		9,091,759.84
Due From Other Funds (Note 12)	940,751.02	2,665.96			943,416.98
Due From Other Agencies (Note 12)					
Restricted:					
Loans and Contracts (Less Allowance for Doubtful Accounts of (\$13,483,646.90))	11,811,874.00	76,645,093.72	77,959.81		88,534,927.53
Total Current Assets	24,135,098.54	202,213,451.56	177,335.75	875,687.82	227,401,573.67
Non-Current Assets:					
Restricted:					
Receivable from:					
Interest and Dividends (Less Allowance for Doubtful Accounts of (\$46,185,084.72))	11,358,907.83	79,068,542.36	114,196.58		90,541,646.77
Loans and Contracts (Less Allowance for Doubtful Accounts of (\$134,279,428.08))	117,630,763.71	763,284,547.62	776,377.39		881,691,688.72
Total Non-Current Assets	128,989,671.54	842,353,089.98	890,573.97		972,233,335.49
TOTAL ASSETS	\$ 153,124,770.08	\$ 1,044,566,541.54	\$ 1,067,909.72	\$ 875,687.82	\$ 1,199,634,909.16
LIABILITIES AND FUND BALANCES					
Current Liabilities:					
Payables from:					
Accounts - Vendors	\$	\$	\$	\$	\$
Accounts - Grants and Loans	83,885.18	45,795.81		875,687.82	1,005,368.81
Due To Other Funds (Note 12)		943,416.98			943,416.98
Total Liabilities	83,885.18	989,212.79		875,687.82	1,948,785.79
FUND FINANCIAL STATEMENT-FUND BALANCES					
FUND BALANCES (DEFICITS):					
Restricted	153,040,884.90	1,043,577,328.75	1,067,909.72		1,197,686,123.37
Total Fund Balances	153,040,884.90	1,043,577,328.75	1,067,909.72		1,197,686,123.37
TOTAL LIABILITIES AND FUND BALANCES	\$ 153,124,770.08	\$ 1,044,566,541.54	\$ 1,067,909.72	\$ 875,687.82	\$ 1,199,634,909.16

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, 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, 2016

	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	\$ 6,918.42	\$ 22,937.49	\$ 245.40	\$	\$ 30,101.31
Licenses, Fees & Permits	1,052,832.47	2,680,289.00	2,048.42		3,735,169.89
Interest and Investment Income	10,754,172.20	48,348,767.49	204,494.14		59,307,433.83
Total Revenues	11,813,923.09	51,051,993.98	206,787.96		63,072,705.03
EXPENDITURES					
State Grant Pass-Through Expenditures	5,000.00				5,000.00
Other Expenditures	6,395,943.54	15,980,111.77	65,171.14		22,441,226.45
Debt Service Principal		89,015.77			89,015.77
Debt Service Interest		50,880.79			50,880.79
Other Financing Fees	264,052.39	253,500.00			517,552.39
Total Expenditures	6,664,995.93	16,373,508.33	65,171.14		23,103,675.40
Excess (Deficiency) of Revenues Over Expenditures	5,148,927.16	34,678,485.65	141,616.82		39,969,029.63
OTHER FINANCING SOURCES (USES)					
Bond and Note Proceeds		150,000,000.00			150,000,000.00
Premium on Sale of Bonds		19,502,970.80			19,502,970.80
Transfers In (Note 12)	27,845,621.56	6,557,870.48	17.69		34,403,509.73
Transfers Out (Note 12)	(41,224,194.63)	(107,119,876.87)	(429,447.99)		(148,773,519.49)
Total Other Financing Sources (Uses)	(13,378,573.07)	68,940,964.41	(429,430.30)		55,132,961.04
Net Change in Fund Balances\Net Assets	(8,229,645.91)	103,619,450.06	(287,813.48)		95,101,990.67
Fund Financial Statement-Fund Balances					
Fund Balances-September 1, 2015	161,283,851.22	941,516,906.19	1,356,693.43		1,104,157,450.84
Restatements (Note 14)	(13,320.41)	(1,559,027.50)	(970.23)		(1,573,318.14)
Fund Balances-September 1, 2015, as Restated	161,270,530.81	939,957,878.69	1,355,723.20		1,102,584,132.70
FUND BALANCES - August 31, 2016	\$ 153,040,884.90	\$ 1,043,577,328.75	\$ 1,067,909.72	\$	\$ 1,197,686,123.37

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, 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, 2016

	<u>GO Bond Fund (0388) (Note A)</u>
ASSETS	
Current Assets:	
Cash:	
In State Treasury	\$ 124,599,318.22
Receivables from:	
Accounts Receivable	1,045,051.48
Interest and Dividends	<u>189,252.61</u>
Total Current Assets	<u>125,833,622.31</u>
TOTAL ASSETS	<u>\$ 125,833,622.31</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>125,833,622.31</u>
Total Fund Balances	<u>125,833,622.31</u>
Total Liabilities and Fund Balances	<u>\$ 125,833,622.31</u>

Note A: Includes USAS fund numbers 0388, 1388, 2388, 3388, 3800, 3801, 3804, 3806, 3808, 3811, 3813, 3814, 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, 2016

	GO Bond Fund (0388) (Note A)
REVENUES	
Federal Revenues	22,860.42
Interest and Investment Income	\$ 2,246,333.24
Total Revenues	<u>2,269,193.66</u>
EXPENDITURES	
Debt Service:	
Principal	56,280,984.23
Interest	<u>44,954,637.30</u>
Total Expenditures	<u>101,235,621.53</u>
Excess (Deficiency) Of Revenues Over Expenditures	<u>(98,966,427.87)</u>
OTHER FINANCING SOURCES (USES)	
Transfers In (Note 12)	122,252,900.01
Transfers Out (Note 12)	<u>(20,000,364.67)</u>
Total Other Financing Sources (Uses)	<u>102,252,535.34</u>
Net Change in Fund Balances\Net Assets	3,286,107.47
FUND BALANCES (DEFICITS):	
Fund Balances-September 1, 2015	<u>122,547,514.84</u>
FUND BALANCES - August 31, 2016	<u>\$ 125,833,622.31</u>

Note A: Includes USAS fund numbers 0388, 1388, 2388, 3388, 3800, 3801, 3804, 3806, 3808, 3811, 3813, 3814, 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, 2016

	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	\$	\$ 5,943,504.40	\$ 5,084,124.83	\$ 11,027,629.23
Receivable From:				
Interest & Dividends	7.25	4,163.51	3,557.03	7,727.79
Due From Other Agencies (Note 12)	512,673.17	589.43		513,262.60
Total Current Assets	<u>512,680.42</u>	<u>5,948,257.34</u>	<u>5,087,681.86</u>	<u>11,548,619.62</u>
Total Assets	<u>\$ 512,680.42</u>	<u>\$ 5,948,257.34</u>	<u>\$ 5,087,681.86</u>	<u>\$ 11,548,619.62</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Current Liabilities:				
Payables from:				
Accounts - Grants and Loans	\$ 512,673.17	\$	\$	\$ 512,673.17
Due To Other Agencies (Note 12)		74,113.96	399,279.08	473,393.04
Total Current Liabilities	<u>512,673.17</u>	<u>74,113.96</u>	<u>399,279.08</u>	<u>986,066.21</u>
Total Liabilities	<u>512,673.17</u>	<u>74,113.96</u>	<u>399,279.08</u>	<u>986,066.21</u>
FUND FINANCIAL STATEMENT-FUND BALANCES				
FUND BALANCES (DEFICITS):				
Committed	7.25	5,874,143.38	4,688,402.78	10,562,553.41
Total Fund Balances	<u>7.25</u>	<u>5,874,143.38</u>	<u>4,688,402.78</u>	<u>10,562,553.41</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 512,680.42</u>	<u>\$ 5,948,257.34</u>	<u>\$ 5,087,681.86</u>	<u>\$ 11,548,619.62</u>

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, 2016

	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	\$ 2,050,859.13	\$ 43,920.80	\$ 35,480.72	\$ 2,130,260.65
Total Revenues	2,050,859.13	43,920.80	35,480.72	2,130,260.65
EXPENDITURES				
State Grant Pass-Through Expenditures		961,674.05	1,397,771.87	2,359,445.92
Intergovernmental Payments	2,050,853.40	843,072.36		2,893,925.76
Public Assistance Payments		8,906.55		8,906.55
Total Expenditures	2,050,853.40	1,813,652.96	1,397,771.87	5,262,278.23
Excess (Deficiency) of Revenues Over Expenditures	5.73	(1,769,732.16)	(1,362,291.15)	(3,132,017.58)
OTHER FINANCING SOURCES (USES)				
Transfers In (Note 12)		2,020,831.52	1,123,750.96	3,144,582.48
Total Other Financing Sources (Uses)		2,020,831.52	1,123,750.96	3,144,582.48
Net Change in Fund Balances/Net Assets	5.73	251,099.36	(238,540.19)	12,564.90
Fund Financial Statement-Fund Balances				
Fund Balances-September 1, 2015	1.52	5,623,044.02	4,926,942.97	10,549,988.51
FUND BALANCES - August 31, 2016	\$ 7.25	\$ 5,874,143.38	\$ 4,688,402.78	\$ 10,562,553.41

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, 2016

UNAPPROPRIATED RECEIPTS <u>Child Support Deds-Suspense</u> <u>Fund (0807) (U/F 8070)</u>	Balance September 1, 2015	Additions	Deductions	Ending Balance August 31, 2016
ASSETS				
Current Assets:				
Cash in State Treasury	\$ 1,340.00	\$ 27,042.00	\$ 25,136.00	\$ 3,246.00
TOTAL ASSETS	\$ 1,340.00	\$ 27,042.00	\$ 25,136.00	\$ 3,246.00
LIABILITIES				
Current Liabilities:				
Funds Held for Others	\$ 1,340.00	\$ 27,042.00	\$ 25,136.00	\$ 3,246.00
TOTAL LIABILITIES	\$ 1,340.00	\$ 27,042.00	\$ 25,136.00	\$ 3,246.00

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

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UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 1-A
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended August 31, 2016

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	CFDA Number	Identifying Number	Agy/ Univ #	Pass-Through From	
				Agencies or Univ Amount	Non-State Entities Amount
				\$	\$
U.S. Dept. of Education					
Direct Programs:					
Douglas Teacher Scholarships	84.176				
State Agency Administration					
Improving Teacher Quality State Grants	84.367				
State Agency Administration					
Pass-Through To:					
Texas A & M University					
Tarleton State University					
Univ of Texas - 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					
Texas State University					
Univ of North Texas at Dallas					
Other Non-State Entities					
Pass-Through From:					
Texas Education Agency					
Vocational Education-Basic Grants	84.048		701	27,214,470.66	
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					
Tech Prep Education	84.243		701	(10,341.98)	
Other Non-State Entities					
RAND - IES Administration	84.305H				444,457.37
Grants					
State Agency Administration					
Pass-Through To:					
Tarleton State University					
Total U.S. Dept. of Education				27,204,128.68	444,457.37
U.S. Dept. of Justice					
John R Justice Grant Program	16.816				
Other Non-State Entities					
Total U.S. Dept. of Justice				0.00	0.00
U.S. Dept. of Labor					
Pass-Through From:					
Texas Workforce Commission					
WIA Dislocated Workers	17.258		320	20,000.00	
State Agency Administration					
Total U.S. Dept. of Labor				20,000.00	0.00
Student Financial Assistance Cluster					
U.S. Dept. of Health and Human Services					
Direct Programs:					

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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, 2016

Direct Program Amount	Total PT From & Direct Program	Pass-Through To		Expenditures Amount	Total PT To & Expenditures
		Agy/ Univ #	State Agy or Univ Amount		
\$	\$	\$	\$	\$	\$
(1,235.74)	(1,235.74)				
5,131,578.40	5,131,578.40			(1,235.74)	(1,235.74)
				277,041.48	277,041.48
		711	308,588.22		308,588.22
		713	52,500.00		52,500.00
		714	67,988.47		67,988.47
		724	256,144.25		256,144.25
		730	509,010.00		509,010.00
		742	623,665.00		623,665.00
		743	380,172.35		380,172.35
		746	210,533.26		210,533.26
		750	304,477.19		304,477.19
		751	43,162.48		43,162.48
		752	418,441.55		418,441.55
		753	88,870.69		88,870.69
		754	343,466.86		343,466.86
		773	52,500.00		52,500.00
				1,195,016.60	1,195,016.60
984,595.14	28,199,065.80			6,188,492.82	6,188,492.82
		719	2,345,596.82		2,345,596.82
		787	223,577.00		223,577.00
		788	152,724.00		152,724.00
		789	371,806.00		371,806.00
				18,916,869.16	18,916,869.16
	(10,341.98)			(10,341.98)	(10,341.98)
	444,457.37			231,500.00	231,500.00
				207,957.37	207,957.37
		713	5,000.00		5,000.00
6,114,937.80	33,763,523.85		6,758,224.14	20,333,043.78	33,763,523.85
53,093.00	53,093.00			53,093.00	53,093.00
53,093.00	53,093.00		0.00	53,093.00	53,093.00
537.48	20,537.48			20,537.48	20,537.48
537.48	20,537.48		0.00	20,537.48	20,537.48

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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, 2016

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	CFDA Number	Identifying Number	Agy/ Univ #	Pass-Through From	
				Agencies or Univ Amount	Non-State Entities Amount
				\$	\$
Health Education Assistance Loans Beginning Balance on Student Loans	93.108				
Total U.S. Dept. of Health and Human Services				0.00	0.00
Student Financial Assistance Cluster U.S. Dept. of Education					
Direct Programs:					
Federal Family Education Loans Beginning Balance on Student Loans Interest Subsidy on Student Loans State Agency Administration	84.032L				
Total Student Financial Assistance Cluster				0.00	0.00
TOTAL FEDERAL FINANCIAL ASSISTANCE				\$ 27,224,128.68	\$ 444,457.37

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 1-A
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended August 31, 2016

Direct Program Amount	Total PT From & Direct Program	Pass-Through To		Expenditures Amount	Total PT To & Expenditures
		Agy/ Univ #	State Agy or Univ Amount		
\$ 3,879,318.55	\$ 3,879,318.55		\$	\$	\$
<u>3,879,318.55</u>	<u>3,879,318.55</u>		<u>0.00</u>	<u>3,879,318.55</u>	<u>3,879,318.55</u>
8,681,856.16	8,681,856.16			8,628,894.43	8,628,894.43
				38,638.63	38,638.63
				14,323.10	14,323.10
<u>8,681,856.16</u>	<u>8,681,856.16</u>		<u>0.00</u>	<u>8,681,856.16</u>	<u>8,681,856.16</u>
\$ 18,729,742.99	\$ 46,398,329.04		\$ 6,758,224.14	\$ 19,253,968.12	\$ 46,398,329.04

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 1-A
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended August 31, 2016

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)	6,665,987.38
Federal Grant Pass-Through Revenues (Exh. II)	<u>27,224,128.68</u>
Subtotal	33,890,116.06
<u>RECONCILING ITEMS:</u>	
U.S. Dept. of Health and Human Services:	
Health Education Assistance Loans - CFDA # 93.108	3,879,318.55
U.S. Dept. of Education:	
Federal Family Education Loans - CFDA # 84.032L	<u>8,628,894.43</u>
Total Pass-Through & Expenditures per Schedule 1-A	<u>\$ 46,398,329.04</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, 2016

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	8,628,894.43	-	52,961.73	\$52,961.73	\$6,718,956.18
Dept. of Health and Human Services / 93.108 Health Education Assistance Loans	3,879,318.55	-	-	\$ -	\$2,861,292.70

Note 4: Depository Libraries for Government Publications

Not Applicable

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

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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, 2016

State Pass-Through Grants from:	
Early College High School & T-STEM	
701 - TEXAS EDUCATION AGENCY	\$ (142,245.50)
Early College High School & T-STEM Total	(142,245.50)
Early High School Graduation Scholarships	
701 - TEXAS EDUCATION AGENCY	(2,863.00)
Early High School Graduation Scholarships Total	(2,863.00)
Skills Development	
320 - TEXAS WORKFORCE COMMISSION	(142,245.50)
Skills Development Total	(142,245.50)
Pass-Through from Total	\$ (287,354.00)
State Pass-Through Grants to:	
ABE Community College Grants	
711 - TEXAS A&M UNIVERSITY	\$ 120,000.00
ABE Community College Grants Total	120,000.00
Advanced Research Program	
733 - TEXAS TECH UNIVERSITY	38,234.90
761 - TEXAS A&M INTERNATIONAL UNIVERSITY	(1,823.70)
Advanced Research Program Total	36,411.20
Advise Texas	
711 - TEXAS A&M UNIVERSITY	990,000.00
721 - UNIVERSITY OF TEXAS AT AUSTIN	335,000.00
Advise Texas Total	1,325,000.00
Armed Services Scholarships	
752 - UNIVERSITY OF NORTH TEXAS	(1,747.88)
Armed Services Scholarships Total	(1,747.88)
Autism - BCBA Training	
711 - TEXAS A&M UNIVERSITY	231,807.00
743 - UNIVERSITY OF TEXAS AT SAN ANTONIO	219,247.00
759 - UNIVERSITY OF HOUSTON - CLEAR LAKE	120,000.00
Autism - BCBA Training Total	571,054.00
Autism - Parent Direct Treatment	
711 - TEXAS A&M UNIVERSITY	248,971.00
721 - UNIVERSITY OF TEXAS AT AUSTIN	198,263.00
743 - UNIVERSITY OF TEXAS AT SAN ANTONIO	213,697.00
752 - UNIVERSITY OF NORTH TEXAS	124,316.00
759 - UNIVERSITY OF HOUSTON - CLEAR LAKE	139,200.00
Autism - Parent Direct Treatment Total	924,447.00
Autism - Resarch, Dev. & Eval	
738 - UNIVERSITY OF TEXAS AT DALLAS	494,852.00
752 - UNIVERSITY OF NORTH TEXAS	189,443.00
Autism - Resarch, Dev. & Eval Total	684,295.00
CCA-DE MATH	
753 - SAM HOUSTON STATE UNIVERSITY	106.63
CCA-DE MATH Total	106.63
College Readiness Initiative	
719 - TEXAS STATE TECHNICAL COLLEGE SYSTEM	50,000.00
733 - TEXAS TECH UNIVERSITY	619.40
751 - TEXAS A&M UNIVERSITY - COMMERCE	(3,000.00)
754 - TEXAS STATE UNIVERSITY	48,639.23
755 - STEPHEN F AUSTIN STATE UNIVERSITY	(350.00)
761 - TEXAS A&M INTERNATIONAL UNIVERSITY	(40.18)

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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, 2016

773 - UNIVERSITY OF NORTH TEXAS-DALLAS	50,000.00
College Readiness Initiative Total	145,868.45
College Work Study Program	
709 - TX A&M UNIV SYSTEM HEALTH SCIENCE CENTER	5,953.02
711 - TEXAS A&M UNIVERSITY	194,047.00
713 - TARLETON STATE UNIVERSITY	1,585.05
714 - UNIVERSITY OF TEXAS AT ARLINGTON	78,081.77
715 - PRAIRIE VIEW A&M UNIVERSITY	66,474.35
717 - TEXAS SOUTHERN UNIVERSITY	71,644.00
718 - TEXAS A&M UNIVERSITY AT GALVESTON	8,791.00
719 - TEXAS STATE TECHNICAL COLLEGE SYSTEM	88,370.86
721 - UNIVERSITY OF TEXAS AT AUSTIN	195,473.00
724 - UNIVERSITY OF TEXAS AT EL PASO	177,353.00
729 - UT SOUTHWESTERN MEDICAL CENTER	9,423.00
730 - UNIVERSITY OF HOUSTON	217,444.00
731 - TEXAS WOMAN'S UNIVERSITY	92,674.08
732 - TEXAS A&M UNIVERSITY-KINGSVILLE	52,534.00
733 - TEXAS TECH UNIVERSITY	135,180.71
734 - LAMAR UNIVERSITY	84,955.00
735 - MIDWESTERN STATE UNIVERSITY	32,699.00
737 - ANGELO STATE UNIVERSITY	42,087.70
738 - UNIVERSITY OF TEXAS AT DALLAS	84,635.64
742 - UNIVERSITY OF TEXAS OF THE PERMIAN BASIN	22,704.00
743 - UNIVERSITY OF TEXAS AT SAN ANTONIO	175,616.00
745 - UT HEALTH SCIENCE CENTER AT SAN ANTONIO	23,331.00
746 - UNIVERSITY OF TEXAS RIO GRANDE VALLEY	214,819.00
750 - UNIVERSITY OF TEXAS AT TYLER	19,103.18
751 - TEXAS A&M UNIVERSITY - COMMERCE	69,716.00
752 - UNIVERSITY OF NORTH TEXAS	177,761.62
753 - SAM HOUSTON STATE UNIVERSITY	111,644.15
754 - TEXAS STATE UNIVERSITY	207,756.90
755 - STEPHEN F AUSTIN STATE UNIVERSITY	82,136.00
756 - SUL ROSS STATE UNIVERSITY	18,347.00
757 - WEST TEXAS A&M UNIVERSITY	41,898.09
759 - UNIVERSITY OF HOUSTON - CLEAR LAKE	39,348.00
760 - TEXAS A&M UNIVERSITY - CORPUS CHRISTI	65,748.00
761 - TEXAS A&M INTERNATIONAL UNIVERSITY	51,557.00
763 - UNIV OF NORTH TX HEALTH SCI CTR FT WORTH	10,715.02
764 - TEXAS A&M UNIVERSITY - TEXARKANA	8,148.00
765 - UNIVERSITY OF HOUSTON-VICTORIA	15,789.70
770 - TEXAS A&M UNIVERSITY-CENTRAL TEXAS	3,434.44
784 - UNIVERSITY OF HOUSTON DOWNTOWN	95,550.00
787 - LAMAR STATE COLLEGE - ORANGE	10,162.00
788 - LAMAR STATE COLLEGE - PORT ARTHUR	12,132.00
789 - LAMAR INSTITUTE OF TECHNOLOGY	1,979.00
College Work Study Program Total	3,118,802.28
CTG - Planning and Information	
746 - UNIVERSITY OF TEXAS RIO GRANDE VALLEY	7,500.00
CTG - Planning and Information Total	7,500.00
Developmental Education Program	
719 - TEXAS STATE TECHNICAL COLLEGE SYSTEM	(145,987.77)
754 - TEXAS STATE UNIVERSITY	251,998.43
784 - UNIVERSITY OF HOUSTON DOWNTOWN	50,000.00
Developmental Education Program Total	156,010.66

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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, 2016

Educational Aide Program	
711 - TEXAS A&M UNIVERSITY	50,000.00
746 - UNIVERSITY OF TEXAS RIO GRANDE VALLEY	50,000.00
752 - UNIVERSITY OF NORTH TEXAS	50,000.00
759 - UNIVERSITY OF HOUSTON - CLEAR LAKE	19,249.00
760 - TEXAS A&M UNIVERSITY - CORPUS CHRISTI	15,727.44
770 - TEXAS A&M UNIVERSITY-CENTRAL TEXAS	50,000.00
Educational Aide Program Total	234,976.44
Emergency and Trauma Care	
721 - UNIVERSITY OF TEXAS AT AUSTIN	350,664.00
723 - UT MEDICAL BRANCH AT GALVESTON	(52,530.52)
729 - UT SOUTHWESTERN MEDICAL CENTER	342,440.00
744 - UT HEALTH SCIENCE CENTER AT HOUSTON	402,176.16
745 - UT HEALTH SCIENCE CENTER AT SAN ANTONIO	(123,181.06)
774 - TX TECH UNIV HEALTH SCIENCE CNTR EL PASO	198,000.00
Emergency and Trauma Care Total	1,117,568.58
Engineering Recruitment Program	
711 - TEXAS A&M UNIVERSITY	12,900.00
713 - TARLETON STATE UNIVERSITY	8,749.91
714 - UNIVERSITY OF TEXAS AT ARLINGTON	8,410.95
715 - PRAIRIE VIEW A&M UNIVERSITY	11,411.19
717 - TEXAS SOUTHERN UNIVERSITY	12,900.00
721 - UNIVERSITY OF TEXAS AT AUSTIN	12,900.00
724 - UNIVERSITY OF TEXAS AT EL PASO	12,900.00
732 - TEXAS A&M UNIVERSITY-KINGSVILLE	20,399.82
733 - TEXAS TECH UNIVERSITY	4,857.20
734 - LAMAR UNIVERSITY	12,900.00
735 - MIDWESTERN STATE UNIVERSITY	12,900.00
738 - UNIVERSITY OF TEXAS AT DALLAS	12,900.00
742 - UNIVERSITY OF TEXAS OF THE PERMIAN BASIN	12,900.00
743 - UNIVERSITY OF TEXAS AT SAN ANTONIO	5,914.35
746 - UNIVERSITY OF TEXAS RIO GRANDE VALLEY	12,625.62
750 - UNIVERSITY OF TEXAS AT TYLER	12,900.00
751 - TEXAS A&M UNIVERSITY - COMMERCE	12,900.00
752 - UNIVERSITY OF NORTH TEXAS	11,972.98
755 - STEPHEN F AUSTIN STATE UNIVERSITY	12,883.65
761 - TEXAS A&M INTERNATIONAL UNIVERSITY	12,900.00
Engineering Recruitment Program Total	239,125.67
Family Practice HB1025	
745 - UT HEALTH SCIENCE CENTER AT SAN ANTONIO	(110,062.72)
Family Practice HB1025 Total	(110,062.72)
Family Practice Res Fd 5111	
709 - TX A&M UNIV SYSTEM HEALTH SCIENCE CENTER	294,213.00
723 - UT MEDICAL BRANCH AT GALVESTON	326,903.00
729 - UT SOUTHWESTERN MEDICAL CENTER	316,007.00
739 - TX TECH UNIVERSITY HEALTH SCIENCES CNTR	915,330.00
744 - UT HEALTH SCIENCE CENTER AT HOUSTON	392,284.00
745 - UT HEALTH SCIENCE CENTER AT SAN ANTONIO	414,078.00
746 - UNIVERSITY OF TEXAS RIO GRANDE VALLEY	196,142.00
763 - UNIV OF NORTH TX HEALTH SCI CTR FT WORTH	174,348.00
774 - TX TECH UNIV HEALTH SCIENCE CNTR EL PASO	261,523.00
785 - UT HEALTH CENTER AT TYLER	261,523.00
Family Practice Res Fd 5111 Total	3,552,351.00
Family Practice Residency Program	

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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, 2016

709 - TX A&M UNIV SYSTEM HEALTH SCIENCE CENTER	12,500.00
721 - UNIVERSITY OF TEXAS AT AUSTIN	228,832.00
729 - UT SOUTHWESTERN MEDICAL CENTER	9,706.45
739 - TX TECH UNIVERSITY HEALTH SCIENCES CENTR	27,500.00
763 - UNIV OF NORTH TX HEALTH SCI CTR FT WORTH	150,000.00
Family Practice Residency Program Total	428,538.45
GME Expansion	
723 - UT MEDICAL BRANCH AT GALVESTON	390,000.00
739 - TX TECH UNIVERSITY HEALTH SCIENCES CENTR	195,000.00
745 - UT HEALTH SCIENCE CENTER AT SAN ANTONIO	260,000.00
774 - TX TECH UNIV HEALTH SCIENCE CNTR EL PASO	422,500.00
GME Expansion Total	1,267,500.00
GME Expansion HB1025	
709 - TX A&M UNIV SYSTEM HEALTH SCIENCE CENTER	(81.75)
774 - TX TECH UNIV HEALTH SCIENCE CNTR EL PASO	(15,150.69)
GME Expansion HB1025 Total	(15,232.44)
GME Expansion SB 18	
739 - TX TECH UNIVERSITY HEALTH SCIENCES CENTR	900,000.00
744 - UT HEALTH SCIENCE CENTER AT HOUSTON	300,000.00
774 - TX TECH UNIV HEALTH SCIENCE CNTR EL PASO	450,000.00
GME Expansion SB 18 Total	1,650,000.00
GME New/Expanded Programs	
729 - UT SOUTHWESTERN MEDICAL CENTER	300,000.00
739 - TX TECH UNIVERSITY HEALTH SCIENCES CENTR	130,000.00
746 - UNIVERSITY OF TEXAS RIO GRANDE VALLEY	630,000.00
GME New/Expanded Programs Total	1,060,000.00
GME Unfilled Positions	
723 - UT MEDICAL BRANCH AT GALVESTON	270,000.00
729 - UT SOUTHWESTERN MEDICAL CENTER	410,000.00
744 - UT HEALTH SCIENCE CENTER AT HOUSTON	2,525,000.00
745 - UT HEALTH SCIENCE CENTER AT SAN ANTONIO	455,000.00
746 - UNIVERSITY OF TEXAS RIO GRANDE VALLEY	395,000.00
763 - UNIV OF NORTH TX HEALTH SCI CTR FT WORTH	410,000.00
GME Unfilled Positions Total	4,465,000.00
Joint Admission Medical Program	
720 - UNIVERSITY OF TEXAS SYSTEM	10,206,794.00
Joint Admission Medical Program Total	10,206,794.00
Ken Ashworth Scholarship Fund	
743 - UNIVERSITY OF TEXAS AT SAN ANTONIO	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	151,756.06
713 - TARLETON STATE UNIVERSITY	68,586.67
717 - TEXAS SOUTHERN UNIVERSITY	295,529.27
723 - UT MEDICAL BRANCH AT GALVESTON	254,128.79
729 - UT SOUTHWESTERN MEDICAL CENTER	80,640.26
731 - TEXAS WOMAN'S UNIVERSITY	76,128.02
734 - LAMAR UNIVERSITY	19,672.56
745 - UT HEALTH SCIENCE CENTER AT SAN ANTONIO	75,201.80
752 - UNIVERSITY OF NORTH TEXAS	156,415.56
753 - SAM HOUSTON STATE UNIVERSITY	139,489.07
763 - UNIV OF NORTH TX HEALTH SCI CTR FT WORTH	80,223.81
Minority Health Research and Education Total	1,397,771.87
Nursing and Allied Health	

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, 2016

709 - TX A&M UNIV SYSTEM HEALTH SCIENCE CENTER	46,042.08
713 - TARLETON STATE UNIVERSITY	28,465.35
714 - UNIVERSITY OF TEXAS AT ARLINGTON	394,749.78
721 - UNIVERSITY OF TEXAS AT AUSTIN	32,383.88
731 - TEXAS WOMAN'S UNIVERSITY	32,714.91
734 - LAMAR UNIVERSITY	28,100.35
735 - MIDWESTERN STATE UNIVERSITY	14,289.23
739 - TX TECH UNIVERSITY HEALTH SCIENCES CENTR	197,138.62
744 - UT HEALTH SCIENCE CENTER AT HOUSTON	2,621.10
745 - UT HEALTH SCIENCE CENTER AT SAN ANTONIO	63,977.99
751 - TEXAS A&M UNIVERSITY - COMMERCE	5,493.06
753 - SAM HOUSTON STATE UNIVERSITY	14,121.93
754 - TEXAS STATE UNIVERSITY	6,744.44
755 - STEPHEN F AUSTIN STATE UNIVERSITY	32,343.69
760 - TEXAS A&M UNIVERSITY - CORPUS CHRISTI	34,344.99
774 - TX TECH UNIV HEALTH SCIENCE CNTR EL PASO	19,787.71
787 - LAMAR STATE COLLEGE - ORANGE	8,354.94
Nursing and Allied Health Total	961,674.05
Outreach and Success	
721 - UNIVERSITY OF TEXAS AT AUSTIN	323,000.00
730 - UNIVERSITY OF HOUSTON	4,000.00
733 - TEXAS TECH UNIVERSITY	2,888.74
743 - UNIVERSITY OF TEXAS AT SAN ANTONIO	5,000.00
753 - SAM HOUSTON STATE UNIVERSITY	13,368.46
754 - TEXAS STATE UNIVERSITY	(2,378.97)
784 - UNIVERSITY OF HOUSTON DOWNTOWN	4,000.00
Outreach and Success Total	349,878.23
Professional Nursing Shortage Reduction Program	
709 - TX A&M UNIV SYSTEM HEALTH SCIENCE CENTER	110,000.00
713 - TARLETON STATE UNIVERSITY	149,766.00
714 - UNIVERSITY OF TEXAS AT ARLINGTON	4,681,768.24
715 - PRAIRIE VIEW A&M UNIVERSITY	322,829.43
719 - TEXAS STATE TECHNICAL COLLEGE SYSTEM	300,000.00
723 - UT MEDICAL BRANCH AT GALVESTON	60,942.58
724 - UNIVERSITY OF TEXAS AT EL PASO	1,559,615.26
730 - UNIVERSITY OF HOUSTON	70,000.00
731 - TEXAS WOMAN'S UNIVERSITY	245,521.93
734 - LAMAR UNIVERSITY	(73,918.00)
739 - TX TECH UNIVERSITY HEALTH SCIENCES CENTR	748,020.12
742 - UNIVERSITY OF TEXAS OF THE PERMIAN BASIN	616,526.03
744 - UT HEALTH SCIENCE CENTER AT HOUSTON	430,000.00
745 - UT HEALTH SCIENCE CENTER AT SAN ANTONIO	594,372.59
746 - UNIVERSITY OF TEXAS RIO GRANDE VALLEY	340,580.05
750 - UNIVERSITY OF TEXAS AT TYLER	1,247,802.60
751 - TEXAS A&M UNIVERSITY - COMMERCE	303,720.03
753 - SAM HOUSTON STATE UNIVERSITY	404,089.87
754 - TEXAS STATE UNIVERSITY	55,730.33
755 - STEPHEN F AUSTIN STATE UNIVERSITY	45,475.46
757 - WEST TEXAS A&M UNIVERSITY	427,440.07
760 - TEXAS A&M UNIVERSITY - CORPUS CHRISTI	251,849.30
761 - TEXAS A&M INTERNATIONAL UNIVERSITY	300,000.00
765 - UNIVERSITY OF HOUSTON-VICTORIA	(36,960.00)
774 - TX TECH UNIV HEALTH SCIENCE CNTR EL PASO	220,000.00
Professional Nursing Shortage Reduction Program Total	13,375,171.89

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, 2016

Regional Pathways Project Grant	
714 - UNIVERSITY OF TEXAS AT ARLINGTON	30,000.00
752 - UNIVERSITY OF NORTH TEXAS	45,000.00
Regional Pathways Project Grant Total	75,000.00
TEOG Public State/Tech Colleges	
719 - TEXAS STATE TECHNICAL COLLEGE SYSTEM	2,194,835.00
787 - LAMAR STATE COLLEGE - ORANGE	447,947.00
788 - LAMAR STATE COLLEGE - PORT ARTHUR	539,540.00
789 - LAMAR INSTITUTE OF TECHNOLOGY	575,831.00
TEOG Public State/Tech Colleges Total	3,758,153.00
TEXAS Grant Program	
506 - UT MD ANDERSON CANCER CENTER	5,000.00
709 - TX A&M UNIV SYSTEM HEALTH SCIENCE CENTER	45,000.00
711 - TEXAS A&M UNIVERSITY	33,389,470.00
713 - TARLETON STATE UNIVERSITY	6,161,221.00
714 - UNIVERSITY OF TEXAS AT ARLINGTON	13,157,038.00
715 - PRAIRIE VIEW A&M UNIVERSITY	9,709,528.00
717 - TEXAS SOUTHERN UNIVERSITY	6,674,864.00
718 - TEXAS A&M UNIVERSITY AT GALVESTON	801,684.00
719 - TEXAS STATE TECHNICAL COLLEGE SYSTEM	52,146.00
721 - UNIVERSITY OF TEXAS AT AUSTIN	30,065,411.00
723 - UT MEDICAL BRANCH AT GALVESTON	35,000.00
724 - UNIVERSITY OF TEXAS AT EL PASO	22,200,506.00
730 - UNIVERSITY OF HOUSTON	21,162,490.00
731 - TEXAS WOMAN'S UNIVERSITY	7,394,398.00
732 - TEXAS A&M UNIVERSITY-KINGSVILLE	6,991,879.00
733 - TEXAS TECH UNIVERSITY	12,708,763.00
734 - LAMAR UNIVERSITY	5,081,519.00
735 - MIDWESTERN STATE UNIVERSITY	4,408,436.00
737 - ANGELO STATE UNIVERSITY	4,804,295.00
738 - UNIVERSITY OF TEXAS AT DALLAS	7,794,702.00
739 - TX TECH UNIVERSITY HEALTH SCIENCES CENTR	55,000.00
742 - UNIVERSITY OF TEXAS OF THE PERMIAN BASIN	1,200,720.00
743 - UNIVERSITY OF TEXAS AT SAN ANTONIO	16,580,099.00
744 - UT HEALTH SCIENCE CENTER AT HOUSTON	42,329.00
745 - UT HEALTH SCIENCE CENTER AT SAN ANTONIO	82,500.00
746 - UNIVERSITY OF TEXAS RIO GRANDE VALLEY	40,919,060.00
750 - UNIVERSITY OF TEXAS AT TYLER	1,624,216.00
751 - TEXAS A&M UNIVERSITY - COMMERCE	5,042,693.00
752 - UNIVERSITY OF NORTH TEXAS	20,406,946.00
753 - SAM HOUSTON STATE UNIVERSITY	11,821,321.00
754 - TEXAS STATE UNIVERSITY	25,999,411.25
755 - STEPHEN F AUSTIN STATE UNIVERSITY	8,177,018.00
756 - SUL ROSS STATE UNIVERSITY	1,469,864.00
757 - WEST TEXAS A&M UNIVERSITY	4,253,797.00
759 - UNIVERSITY OF HOUSTON - CLEAR LAKE	1,228,558.00
760 - TEXAS A&M UNIVERSITY - CORPUS CHRISTI	6,727,846.00
761 - TEXAS A&M INTERNATIONAL UNIVERSITY	8,741,702.00
764 - TEXAS A&M UNIVERSITY - TEXARKANA	620,537.00
765 - UNIVERSITY OF HOUSTON-VICTORIA	1,544,865.00
770 - TEXAS A&M UNIVERSITY-CENTRAL TEXAS	158,004.00
773 - UNIVERSITY OF NORTH TEXAS-DALLAS	709,812.00
784 - UNIVERSITY OF HOUSTON DOWNTOWN	6,587,688.00
787 - LAMAR STATE COLLEGE - ORANGE	25,000.00

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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, 2016

788 - LAMAR STATE COLLEGE - PORT ARTHUR	26,250.00
789 - LAMAR INSTITUTE OF TECHNOLOGY	7,500.00
TEXAS Grant Program Total	356,696,086.25
TEXAS Research Incentive Program - HB51	
714 - UNIVERSITY OF TEXAS AT ARLINGTON	6,532,335.68
724 - UNIVERSITY OF TEXAS AT EL PASO	971,923.21
730 - UNIVERSITY OF HOUSTON	16,054,664.68
733 - TEXAS TECH UNIVERSITY	32,068,633.79
738 - UNIVERSITY OF TEXAS AT DALLAS	29,548,347.48
743 - UNIVERSITY OF TEXAS AT SAN ANTONIO	4,790,375.35
752 - UNIVERSITY OF NORTH TEXAS	1,981,011.73
754 - TEXAS STATE UNIVERSITY	1,865,208.08
TEXAS Research Incentive Program - HB51 Total	1,865,208.08
Top 10% Scholarships	
709 - TX A&M UNIV SYSTEM HEALTH SCIENCE CENTER	19,150.00
711 - TEXAS A&M UNIVERSITY	2,447,585.00
713 - TARLETON STATE UNIVERSITY	60,856.00
714 - UNIVERSITY OF TEXAS AT ARLINGTON	325,575.00
715 - PRAIRIE VIEW A&M UNIVERSITY	25,600.00
718 - TEXAS A&M UNIVERSITY AT GALVESTON	32,555.00
721 - UNIVERSITY OF TEXAS AT AUSTIN	3,431,610.00
724 - UNIVERSITY OF TEXAS AT EL PASO	306,036.50
730 - UNIVERSITY OF HOUSTON	769,225.00
731 - TEXAS WOMAN'S UNIVERSITY	40,000.00
732 - TEXAS A&M UNIVERSITY-KINGSVILLE	55,200.00
733 - TEXAS TECH UNIVERSITY	195,200.00
734 - LAMAR UNIVERSITY	36,800.00
735 - MIDWESTERN STATE UNIVERSITY	43,200.00
737 - ANGELO STATE UNIVERSITY	33,600.00
738 - UNIVERSITY OF TEXAS AT DALLAS	534,285.00
739 - TX TECH UNIVERSITY HEALTH SCIENCES CENTR	3,800.00
742 - UNIVERSITY OF TEXAS OF THE PERMIAN BASIN	3,200.00
743 - UNIVERSITY OF TEXAS AT SAN ANTONIO	363,519.00
746 - UNIVERSITY OF TEXAS RIO GRANDE VALLEY	832,839.00
750 - UNIVERSITY OF TEXAS AT TYLER	19,200.00
751 - TEXAS A&M UNIVERSITY - COMMERCE	34,600.00
752 - UNIVERSITY OF NORTH TEXAS	827,455.00
753 - SAM HOUSTON STATE UNIVERSITY	243,885.00
754 - TEXAS STATE UNIVERSITY	370,565.00
755 - STEPHEN F AUSTIN STATE UNIVERSITY	284,705.00
756 - SUL ROSS STATE UNIVERSITY	19,150.00
757 - WEST TEXAS A&M UNIVERSITY	122,560.00
759 - UNIVERSITY OF HOUSTON - CLEAR LAKE	4,800.00
760 - TEXAS A&M UNIVERSITY - CORPUS CHRISTI	32,555.00
761 - TEXAS A&M INTERNATIONAL UNIVERSITY	231,715.00
764 - TEXAS A&M UNIVERSITY - TEXARKANA	5,430.00
765 - UNIVERSITY OF HOUSTON-VICTORIA	10,545.00
784 - UNIVERSITY OF HOUSTON DOWNTOWN	8,000.00
Top 10% Scholarships Total	11,775,000.50
TRIP Fund 5124	
714 - UNIVERSITY OF TEXAS AT ARLINGTON	626,686.43
724 - UNIVERSITY OF TEXAS AT EL PASO	93,242.47
730 - UNIVERSITY OF HOUSTON	1,540,221.00
733 - TEXAS TECH UNIVERSITY	3,036,549.81

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, 2016

738 - UNIVERSITY OF TEXAS AT DALLAS	2,834,751.52
743 - UNIVERSITY OF TEXAS AT SAN ANTONIO	459,569.65
752 - UNIVERSITY OF NORTH TEXAS	202,042.44
754 - TEXAS STATE UNIVERSITY	178,940.68
TRIP Fund 5124 Total	8,972,004.00
T-STEM Scholarship Program	
719 - TEXAS STATE TECHNICAL COLLEGE SYSTEM	548,600.00
T-STEM Scholarship Program Total	548,600.00
TX Teacher Residency Prog	
751 - TEXAS A&M UNIVERSITY - COMMERCE	175,692.68
TX Teacher Residency Prog Total	175,692.68
Work Study Mentorship Program	
713 - TARLETON STATE UNIVERSITY	19,500.00
714 - UNIVERSITY OF TEXAS AT ARLINGTON	121,010.36
717 - TEXAS SOUTHERN UNIVERSITY	125,000.00
719 - TEXAS STATE TECHNICAL COLLEGE SYSTEM	125,000.00
724 - UNIVERSITY OF TEXAS AT EL PASO	110,000.00
731 - TEXAS WOMAN'S UNIVERSITY	70,684.93
732 - TEXAS A&M UNIVERSITY-KINGSVILLE	95,465.76
738 - UNIVERSITY OF TEXAS AT DALLAS	59,971.41
742 - UNIVERSITY OF TEXAS OF THE PERMIAN BASIN	37,500.00
743 - UNIVERSITY OF TEXAS AT SAN ANTONIO	100,000.00
746 - UNIVERSITY OF TEXAS RIO GRANDE VALLEY	159,123.44
750 - UNIVERSITY OF TEXAS AT TYLER	50,000.00
751 - TEXAS A&M UNIVERSITY - COMMERCE	50,000.00
752 - UNIVERSITY OF NORTH TEXAS	149,923.58
754 - TEXAS STATE UNIVERSITY	95,057.93
757 - WEST TEXAS A&M UNIVERSITY	73,051.51
760 - TEXAS A&M UNIVERSITY - CORPUS CHRISTI	99,710.61
761 - TEXAS A&M INTERNATIONAL UNIVERSITY	50,000.00
773 - UNIVERSITY OF NORTH TEXAS-DALLAS	3,128.04
784 - UNIVERSITY OF HOUSTON DOWNTOWN	25,000.00
Work Study Mentorship Program Total	1,619,127.57
Total State Pass-Through Grants To Other Agencies (Exh. II)	524,705,966.36

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TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 2-A
MISCELLANEOUS BOND INFORMATION

For the Year Ended August 31, 2016

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	08/01/2021 (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)
Total General Obligation Bonds	\$ 1,151,135,000.00						

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

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 2-B
CHANGES IN BONDED INDEBTEDNESS
 For the Year Ended August 31, 2016

Governmental Activities

Description of Issue	Bonds Outstanding 9/1/2015	Bonds Issued	Bonds Matured or Retired	Bonds Outstanding 8/31/2015	Unamortized Premium/ Discount	Net Bonds Outstanding 8/31/2016	Amounts Due Within One Year
General Obligation Bonds:							
COL STUD LOAN BDS SER'07A	61,675,000.00		2,570,000.00	59,105,000.00		59,105,000.00	2,700,000.00
COL STUD LOAN RFD BDS SER'07B	19,485,000.00		6,900,000.00	12,585,000.00		12,585,000.00	5,900,000.00
COL STUD LOAN BDS SER'08A	65,300,000.00		2,500,000.00	62,800,000.00		62,800,000.00	2,630,000.00
COL STUD LOAN RFD BDS SER'08B	20,390,000.00		7,070,000.00	13,320,000.00		13,320,000.00	6,275,000.00
COL STUD LOAN RFD BDS SER'08C	11,985,000.00		5,840,000.00	6,145,000.00		6,145,000.00	6,145,000.00
COL STUD LOAN BDS SER'09	65,130,000.00		2,380,000.00	62,750,000.00		62,750,000.00	2,475,000.00
COL STUD LOAN BDS SER'10	106,835,000.00		3,590,000.00	103,245,000.00	8,383,550.55	111,628,550.55	4,205,752.81
COL STUD LOAN RFD BDS SER'10	6,140,000.00		3,000,000.00	3,140,000.00	649,911.66	3,789,911.66	3,789,911.66
COL STUD LOAN BDS SER'11A	115,570,000.00		3,235,000.00	112,335,000.00	3,047,540.94	115,382,540.94	3,918,533.55
COL STUD LOAN RFD BDS SER'11B	1,870,000.00		760,000.00	1,110,000.00	15,965.55	1,125,965.55	579,647.17
COL STUD LOAN RFD BDS SER'11C	6,570,000.00			6,570,000.00	419,863.04	6,989,863.04	93,637.35
COL STUD LOAN BDS SER'12	85,615,000.00		515,000.00	85,100,000.00	6,675,127.69	91,775,127.69	5,845,051.30
COL STUD LOAN RFD BDS SER'13A	78,530,000.00		18,010,000.00	60,520,000.00	4,736,816.71	65,256,816.71	19,760,182.69
COL STUD LOAN BDS SER'13B	113,740,000.00			113,740,000.00	9,636,902.98	123,376,902.98	1,480,914.91
COL STUD LOAN BDS SER'14	68,130,000.00			68,130,000.00	10,732,386.92	78,862,386.92	1,375,609.28
COL STUD LOAN BDS SER'15		150,000,000.00		150,000,000.00	18,152,314.99	168,152,314.99	1,898,009.03
Total General Obligation Bonds	\$ 826,965,000.00	\$ 150,000,000.00	\$ 56,370,000.00	\$ 920,595,000.00	\$ 62,450,381.03	\$ 983,045,381.03	\$ 69,072,249.75

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TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 2-C
DEBT SERVICE REQUIREMENTS

For the Year Ended August 31, 2016

Governmental Activities

Description of Issue	Year	Principal	Interest
<u>General Obligation Bonds:</u>			
COL STUD LOAN BDS SER'07A	2017	2,700,000.00	3,010,437.50
	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
	2022-2026	19,285,000.00	9,236,712.50
	2027-2031	24,875,000.00	3,857,500.00
		<u>\$ 59,105,000.00</u>	<u>\$ 26,656,187.50</u>
COL STUD LOAN RFD BDS SER'07B	2017	5,900,000.00	629,250.00
	2018	6,685,000.00	334,250.00
		<u>\$ 12,585,000.00</u>	<u>\$ 963,500.00</u>
COL STUD LOAN BDS SER'08A	2017	2,630,000.00	3,231,837.50
	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
	2022-2026	18,725,000.00	10,569,337.50
	2027-2031	23,970,000.00	5,326,937.50
	2032-2036	5,560,000.00	291,900.00
		<u>\$ 62,800,000.00</u>	<u>\$ 30,943,262.50</u>
COL STUD LOAN RFD BDS SER'08B	2017	6,275,000.00	666,000.00
	2018	7,045,000.00	352,250.00
		<u>\$ 13,320,000.00</u>	<u>\$ 1,018,250.00</u>
COL STUD LOAN RFD BDS SER'08C	2017	6,145,000.00	322,612.50
		<u>\$ 6,145,000.00</u>	<u>\$ 322,612.50</u>
COL STUD LOAN BDS SER'09	2017	2,475,000.00	3,068,593.76
	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
	2022-2026	17,110,000.00	10,596,968.80
	2027-2031	21,825,000.00	5,885,625.04
	2032-2036	10,305,000.00	779,250.00
		<u>\$ 62,750,000.00</u>	<u>\$ 31,466,062.64</u>

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 2-C
DEBT SERVICE REQUIREMENTS

For the Year Ended August 31, 2016

Governmental Activities

Description of Issue	Year	Principal	Interest
COL STUD LOAN BDS SER'10	2017	3,740,000.00	5,076,175.00
	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
	2022-2026	25,835,000.00	18,245,000.00
	2027-2031	32,970,000.00	11,107,750.00
	2032-2036	24,005,000.00	2,439,500.00
			<u>\$ 103,245,000.00</u>
COL STUD LOAN RFD BDS SER'10	2017	3,140,000.00	157,000.00
		<u>\$ 3,140,000.00</u>	<u>\$ 157,000.00</u>
COL STUD LOAN BDS SER'11A	2017	3,400,000.00	5,616,750.00
	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
	2022-2026	23,960,000.00	21,110,750.00
	2027-2031	30,575,000.00	14,491,250.00
	2032-2036	39,025,000.00	6,043,750.00
			<u>\$ 112,335,000.00</u>
COL STUD LOAN RFD BDS SER'11B	2017	565,000.00	44,600.00
	2018	545,000.00	16,350.00
		<u>\$ 1,110,000.00</u>	<u>\$ 60,950.00</u>
COL STUD LOAN RFD BDS SER'11C	2017	0	328,500.00
	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
	2022-2026	1,695,000.00	84,750.00
			<u>\$ 6,570,000.00</u>
COL STUD LOAN BDS SER'12	2017	3,905,000.00	4,171,656.26
	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
	2022-2026	11,535,000.00	4,904,156.30
	2027-2031	9,715,000.00	2,596,962.52
	2032-2036	9,160,000.00	827,000.04
			<u>\$ 85,100,000.00</u>

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 2-C
DEBT SERVICE REQUIREMENTS

For the Year Ended August 31, 2016

Governmental Activities

Description of Issue	Year	Principal	Interest
COL STUD LOAN RFD BDS SER'13A	2017	17,570,000.00	3,026,000.00
	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	945,000.00	150,250.00
	2022-2026	2,060,000.00	156,000.00
			<u>\$ 60,520,000.00</u>
COL STUD LOAN BDS SER'13B	2017	0	5,383,950.00
	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
	2022-2026	61,810,000.00	15,030,550.00
	2027-2031	28,930,000.00	2,980,250.00
		<u>\$ 113,740,000.00</u>	<u>\$ 44,030,550.00</u>
COL STUD LOAN BDS SER'14	2017	0	3,536,800.00
	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	6,635,000.00	3,283,300.00
	2022-2026	29,565,000.00	10,829,300.00
	2027-2031	27,705,000.00	2,893,000.00
		<u>\$ 68,130,000.00</u>	<u>\$ 31,038,500.00</u>
COL STUD LOAN BDS SER'15	2017	0	6,666,500.00
	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
	2022-2026	42,285,000.00	25,648,500.00
	2027-2031	53,870,000.00	14,617,900.00
2032-2036	39,230,000.00	3,189,400.00	
		<u>\$ 150,000,000.00</u>	<u>\$ 76,428,300.00</u>

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 2-D
ANALYSIS OF FUNDS AVAILABLE FOR DEBT SERVICE
For the Year Ended August 31, 2015

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	<u>\$ 56,370,000.00</u>	<u>\$ 45,005,518.09</u>

