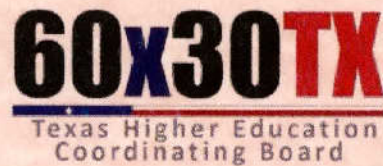


Texas Higher Education Coordinating Board



Annual Financial Report
For the Year Ended August 31, 2018

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

TABLE OF CONTENTS

	<u>Page</u>
Letter of Transmittal	1
Combined Financial Statements:	
Exhibits:	
I Combined Balance Sheet/Statement of Net Position – Governmental Funds	2
II Combined Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of Activities – Governmental Funds	6
VI Combined Statement of Fiduciary Net Position	10
VII Combined Statement of Changes in Fiduciary Net Position	11
Notes to the Financial Statements	12
Combining Financial Statements of Individual Funds:	
Exhibits:	
A-1 Combining Balance Sheet - All General and Consolidated Funds	26
A-2 Combining Statement of Revenues, Expenditures and Changes in Fund Balances - All General and Consolidated Funds	30
B-1 Combining Balance Sheet – Special Revenue Funds	34
B-2 Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Special Revenue Funds	36
C-1 Combining Balance Sheet – Debt Service Funds	38
C-2 Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Debt Service Funds	39
E-1 Combining Balance Sheet – Permanent Funds	40
E-2 Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Permanent Funds	42
J-1 Combining Statement of Changes in Assets and Liabilities – Agency Funds	44
Other Supporting Schedules:	
Schedules:	
1-A Schedule of Expenditures of Federal Awards	46
1-B Schedule of State Grant Pass-Throughs From/To State Agencies	52
2-A Miscellaneous Bond Information	60
2-B Changes in Bonded Indebtedness	61
2-C Debt Service Requirements	62
2-D Analysis of Funds Available for Debt Service	64



TEXAS HIGHER EDUCATION COORDINATING BOARD

P.O. Box 12788 Austin, Texas 78711

Stuart W. Stedman
CHAIR

Fred Farias III, O.D.
VICE CHAIR

John T. Steen, Jr.
SECRETARY OF THE BOARD

Michelle Q. Tran
STUDENT REPRESENTATIVE

Arvilla C. Acosta
S. Javaid Anwar
Michael J. Plank
Ricky A. Rayen
Donna N. Williams
Welcome Wilson, Jr.

Raymund A. Paredes
COMMISSIONER
OF HIGHER EDUCATION

(512) 427-6101
Fax (512) 427-6127

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

November 20, 2018

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

From: Raymund A. Paredes *RAP*

RE: Annual Financial Report

I am pleased to submit the annual financial report of the Texas Higher Education Coordinating Board for the year ended 08/31/2018, 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, 2018

	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				
In State Treasury	\$ 234,854,906.47	\$ 580,330.78	\$ 118,805,434.95	\$ 9,853,627.27
Legislative Appropriations	68,975,189.87	188,405,624.81		
Receivable From:				
Accounts Receivable	275,910.45	55.00	277,335.33	
Federal	6,205,915.52			
Interest and Dividends (net of Allowance for Doubtful Accounts of \$5,691,299.53)	93,106.87	9,446,696.38	579,096.87	16,801.10
Due From Other Agencies (Note 12)	4,999,556.61			530,336.73
Prepaid Items	48,202.90			
Loans & Contracts (net of Allowance for Doubtful Accounts of \$2,083,998.09)	4,626,083.87			
Restricted:				
Loans & Contracts (net of Allowance for Doubtful Accounts of \$18,756,265.26)	9,372,739.44	97,407,380.75		
Total Current Assets	329,451,612.00	295,840,087.72	119,661,867.15	10,400,765.10
Non-Current Assets:				
Receivable From:				
Interest and Dividends (net of Allowance for Doubtful Accounts of \$1,502,556.77)	955,044.80			
Loans & Contracts (net of Allowance for Doubtful Accounts of \$21,392,178.57)	47,486,613.86			
Restricted:				
Receivable From:				
Interest and Dividends (net of Allowance for Doubtful Accounts of \$56,918,464.33)		96,970,058.00		
Loans & Contracts (net of Allowance for Doubtful Accounts of \$192,532,506.95)	96,210,892.48	999,883,875.73		
Capital Assets (Note 2):				
Depreciable:				
Furniture and equipment				
Accumulated depreciation				
Net depreciable capital assets				
Total Non-Current Assets	144,652,551.14	1,096,853,933.73		
TOTAL ASSETS	474,104,163.14	1,392,694,021.45	119,661,867.15	10,400,765.10

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT I
 COMBINED BALANCE SHEET/STATEMENT OF NET POSITION
 GOVERNMENTAL FUNDS
 For the Year Ended August 31, 2018

Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Net Position
\$ 580,330.78	\$	\$	\$ 580,330.78
551,919,593.50			551,919,593.50
68,975,189.87			68,975,189.87
553,300.78			553,300.78
6,205,915.52			6,205,915.52
10,135,701.22			10,135,701.22
5,529,893.34			5,529,893.34
48,202.90			48,202.90
4,626,083.87			4,626,083.87
106,780,120.19			106,780,120.19
<u>755,354,331.97</u>			<u>755,354,331.97</u>
955,044.80			955,044.80
47,486,613.86			47,486,613.86
96,970,058.00			96,970,058.00
1,096,094,768.21			1,096,094,768.21
	539,966.23		539,966.23
	(481,810.00)		(481,810.00)
	58,156.23		58,156.23
<u>1,241,506,484.87</u>	<u>58,156.23</u>		<u>1,241,564,641.10</u>
<u>1,996,860,816.84</u>	<u>58,156.23</u>		<u>1,996,918,973.07</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, 2018

	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	157,838.00	24,000.00		
Accounts - Grants and Loans	6,530,958.53	589,181.52		1,236,556.16
Payroll	1,932,652.16			
Bond Interest Payable				
Employees' Compensable Leave Payable (Note 5)				
General Obligation Bonds Payable (Note 5, 6)				
Due To Other Agencies (Note 12)	11,449,746.18			463,352.69
Total Current Liabilities	20,071,194.87	613,181.52		1,699,908.85
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	20,071,194.87	613,181.52		1,699,908.85
FUND FINANCIAL STATEMENT-FUND BALANCES				
Fund Balances (Deficits):				
Nonspendable-Prepaid Items	48,202.90			
Nonspendable-LT Contract and Receivables	48,441,658.66			
Restricted	687,154.34	1,392,080,839.93	119,661,867.15	
Committed	340,458,322.84			8,700,856.25
Assigned	61,766.44			
Unassigned	64,335,863.09			
Total Fund Balances	454,032,968.27	1,392,080,839.93	119,661,867.15	8,700,856.25
TOTAL LIABILITIES AND FUND BALANCES	\$ 474,104,163.14	\$ 1,392,694,021.45	\$ 119,661,867.15	\$ 10,400,765.10
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, 2018

Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Net Position
181,838.00			181,838.00
8,356,696.21			8,356,696.21
1,932,652.16			1,932,652.16
		4,479,785.42	4,479,785.42
		1,156,615.01	1,156,615.01
		74,758,439.26	74,758,439.26
<u>11,913,098.87</u>			<u>11,913,098.87</u>
<u>22,384,285.24</u>		<u>80,394,839.69</u>	<u>102,779,124.93</u>
		660,118.56	660,118.56
		1,116,598,514.89	1,116,598,514.89
		7,799,484.35	7,799,484.35
		<u>1,125,058,117.80</u>	<u>1,125,058,117.80</u>
<u>22,384,285.24</u>		<u>1,205,452,957.49</u>	<u>1,227,837,242.73</u>
48,202.90			48,202.90
48,441,658.66			48,441,658.66
1,512,429,861.42			1,512,429,861.42
349,159,179.09			349,159,179.09
61,766.44			61,766.44
64,335,863.09			64,335,863.09
<u>1,974,476,531.60</u>			<u>1,974,476,531.60</u>
<u>\$ 1,996,860,816.84</u>			
	58,156.23		58,156.23
		(1,195,836,739.57)	(1,195,836,739.57)
		(9,616,217.92)	(9,616,217.92)
	<u>\$ 58,156.23</u>	<u>\$ (1,205,452,957.49)</u>	<u>\$ 769,081,730.34</u>

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT II
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE/
STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS
For the Year Ended August 31, 2018

	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	\$ 1,607,746,838.65	\$	\$	\$
Additional Legislative Appropriation Revenue	2,568,377.60			
Federal Revenues	4,107,955.96	20,785.19	15,099.69	
Federal Grant Pass-Through Revenues	27,462,559.36			
Licenses, Fees and Permits	2,087,344.72	2,392,551.85	60.03	
Interest and Investment Income	1,628,787.39	68,402,515.69	6,137,853.23	13,357,213.16
Other Revenues	2,097,473.71			
Total Revenues	1,647,699,337.39	70,815,852.73	6,153,012.95	13,357,213.16
EXPENDITURES				
Salaries & Wages	16,980,941.51	129.04		
Payroll Related Costs	4,960,911.92	23,831.68		
Professional Fees & Services	5,382,971.19			
Travel	150,963.84			
Materials & Supplies	756,882.00			
Communication & Utilities	421,663.51			
Repairs & Maintenance	17,053.19			
Rentals & Leases	2,397,497.91			
Printing & Reproduction	8,996.40			
Federal Grant Pass-Through Expenditures	4,941,356.26			
State Grant Pass-Through Expenditures	460,831,878.06	5,000.00		1,280,351.87
Intergovernmental Payments	1,067,622,382.98			6,890,074.47
Public Assistance Payments	29,424,750.87			7,669,808.24
Other Expenditures	25,171,750.51	32,969,809.70		
Debt Service:				
Principal		12,862.01	60,447,137.99	
Interest		201,634.16	54,120,854.75	
Other Financing Fees		727,260.24		
Capital Outlays	22,820.00			
Depreciation and Amortization Expense				
Total Expenditures	1,619,092,820.15	33,940,526.83	114,567,992.74	15,840,234.58
Excess (Deficiency) Of Revenues Over Expenditures	28,606,517.24	36,875,325.90	(108,414,979.79)	(2,483,021.42)

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, 2018

Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Activities
\$ 1,607,746,838.65	\$	\$	\$ 1,607,746,838.65
2,568,377.60			2,568,377.60
4,143,840.84			4,143,840.84
27,462,559.36			27,462,559.36
4,479,956.60			4,479,956.60
89,526,369.47			89,526,369.47
2,097,473.71			2,097,473.71
<u>1,738,025,416.23</u>			<u>1,738,025,416.23</u>
16,981,070.55		117,382.67	17,098,453.22
4,984,743.60			4,984,743.60
5,382,971.19			5,382,971.19
150,963.84			150,963.84
756,882.00			756,882.00
421,663.51			421,663.51
17,053.19			17,053.19
2,397,497.91			2,397,497.91
8,996.40			8,996.40
4,941,356.26			4,941,356.26
462,117,229.93			462,117,229.93
1,074,512,457.45			1,074,512,457.45
37,094,559.11			37,094,559.11
58,141,560.21		1,709,614.34	59,851,174.55
60,460,000.00		(60,460,000.00)	
54,322,488.91		272,914.58	54,595,403.49
727,260.24			727,260.24
22,820.00	(22,820.00)		
	<u>18,556.80</u>	<u>(11,666,848.43)</u>	<u>(11,648,291.63)</u>
<u>1,783,441,574.30</u>	<u>(4,263.20)</u>	<u>(70,026,936.84)</u>	<u>1,713,410,374.26</u>
(45,416,158.07)	4,263.20	70,026,936.84	24,615,041.97

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, 2018

	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		155,720,000.00		
Premium on Sale of Bonds		15,523,393.00		
Discount on Sale of Bonds		(629,761.05)		
Appropriations Lapsed	(4,618,914.63)			
Transfers In (Note 12)	14,589,905.52	27,430,816.32	136,995,365.99	2,551,778.00
Transfers Out (Note 12)	(55,237,899.62)	(151,094,396.69)	(26,987,950.85)	
Legislative Transfers Out (Note 12)	(200,000.00)			
Total Other Financing Sources (Uses)	(45,466,908.73)	46,950,051.58	110,007,415.14	2,551,778.00
Net Change in Fund Balances/Net Position	(16,860,391.49)	83,825,377.48	1,592,435.35	68,756.58
Fund Financial Statement-Fund Balances				
Fund Balances-September 1, 2017	470,893,359.76	1,308,255,462.45	118,069,431.80	9,818,704.67
Restatements (Note 14)				(1,186,605.00)
Fund Balances-September 1, 2017, as Restated	470,893,359.76	1,308,255,462.45	118,069,431.80	8,632,099.67
FUND BALANCES - August 31, 2018	<u>\$ 454,032,968.27</u>	<u>\$ 1,392,080,839.93</u>	<u>\$ 119,661,867.15</u>	<u>\$ 8,700,856.25</u>
Government-Wide Statement of Net Position				
Net Position/Net Change in Net Position				
Net Position, September 1, 2017				
NET POSITION, August 31, 2018				

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, 2018

Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Activities
155,720,000.00		(155,720,000.00)	
15,523,393.00		(15,523,393.00)	
(629,761.05)		629,761.05	
(4,618,914.63)			(4,618,914.63)
181,567,865.83			181,567,865.83
(233,320,247.16)			(233,320,247.16)
(200,000.00)			(200,000.00)
<u>114,042,335.99</u>		<u>(170,613,631.95)</u>	<u>(56,571,295.96)</u>
68,626,177.92	4,263.20	(100,586,695.11)	(31,956,253.99)
1,907,036,958.68			1,907,036,958.68
(1,186,605.00)			(1,186,605.00)
<u>1,905,850,353.68</u>			<u>1,905,850,353.68</u>
<u>1,974,476,531.60</u>	<u>4,263.20</u>	<u>(100,586,695.11)</u>	<u>1,873,894,099.69</u>
<u>1,974,476,531.60</u>	<u>4,263.20</u>	<u>(100,586,695.11)</u>	<u>1,873,894,099.69</u>
	<u>53,893.03</u>	<u>(1,104,866,262.38)</u>	<u>(1,104,812,369.35)</u>
<u>\$ 1,974,476,531.60</u>	<u>\$ 58,156.23</u>	<u>\$ (1,205,452,957.49)</u>	<u>\$ 769,081,730.34</u>

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT VI
COMBINED STATEMENT OF FIDUCIARY NET POSITION
For the Year Ended August 31, 2018

	Perm Endowment Fund - Baylor College of Medicine Fund (0823) U/F (0823)	Child Support Deds-Suspense Account Fund (0807) U/F (8070)	TOTALS
ASSETS			
Current Assets:			
Cash:			
In State Treasury	\$ 398,128.81	\$ 2,088.00	\$ 400,216.81
Receivables From Interest and Dividends	44.13		44.13
Total Current Assets	398,172.94	2,088.00	400,260.94
TOTAL ASSETS	398,172.94	2,088.00	400,260.94
LIABILITIES			
Current Liabilities:			
Payables from Accounts - Grants and Loans	398,172.94		398,172.94
Funds Held for Others		2,088.00	2,088.00
Total Current Liabilities	398,172.94	2,088.00	400,260.94
TOTAL LIABILITIES	398,172.94	2,088.00	400,260.94
NET POSITION			
Held in trust for Individuals, Organizations, and Other Government			
TOTAL NET POSITION	\$	\$	\$

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ENTITY

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

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

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

B. FUND STRUCTURE

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

Governmental Fund Types & Government-wide Adjustment Fund Types

General Fund

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

Special Revenue Funds

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

Debt Service Funds

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

UNAUDITED

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

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

UNAUDITED

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

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.

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.

UNAUDITED

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

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.

UNAUDITED

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

GASB 54 Fund Balance classification by Purpose (as of August 31, 2018)

	Consolidated Funds		
	0001	5103	5144
	General Fund	B-On-Time	Physician Ed Loan Repay
Nonspendable - Prepaids			
Hinson-Hazlewood Loan Program	\$ 48,202.90		
Nonspendable - LT Contract and Receivables			
Armed Services Scholarships	6,488,330.29		
Student Financial Aid Programs	40,976,016.33		
Teach for Texas Programs	977,312.04		
Restricted:			
College Readiness and Success	63,042.07		
Debt Service			
Federal Programs	326,000.00		
Physician - LRP	241,508.38		
Planning/Info/Evaluation	8,893.85		
Strategic Planning and Funding	5,710.04		
Student Loans			
T-STEM Scholarship	42,000.00		
Committed:			
License Plate Scholarships			
Minority Health Research/Ed			
Nursing & Allied Health			108,320,860.76
Physician - LRP			
Student Financial Aid Programs		232,137,462.08	
Assigned:			
Common Application	11.81		
Conferences	61,754.63		
Unassigned:			
ABE Community College Grants	1,553,250.00		
Academic Quality & Workforce	273,980.27		
Armed Services Scholarships	640,300.70		
Autism Program	2,239,672.06		
Baylor College of Medicine	15,843,287.24		
Centers for Teacher Education	1,170.99		
Central Administration	262,083.78		
Certified Ed Aide Program	250,983.04		
College Readiness and Success	3,979.65		
College Readiness Initiatives	441,523.70		
Dental Education - LRP	148,033.99		
Developmental Ed Program	1,115,238.33		
Engineering Recruitment Prog	24,190.71		
ETEP Graduate Medical Education	84,702.65		
Family Practice Residency	40,968.02		
Fields of Study	199,897.05		
GME Expansion	6,754,276.11		
GR Nursing Faculty LRP	1,500,000.00		
Hinson-Hazlewood Loan Program	1,029,038.86		
Information Resources	983,170.54		
Mental Health Loan Repayment Prog	2,199,306.00		
Operating & Support	116,671.98		
Oversight for Profit	226,425.54		
Preceptorship Programs	1,063,553.86		
Prof Nursing Shortage Reduction	2,954,845.43		
Strategic Planning and Funding	55,720.46		
Student Financial Aid Programs	22,337,864.56		
Student Grants & Special Prog	5,106.90		
Teach for Texas Programs	1,750,304.13		
Texas Education Opportunity Grant	117,013.20		
Top 10% Scholarships	104,421.19		
Unappropriated	14,882.15		
Grand Total	\$ 113,574,645.43	232,137,462.08	108,320,860.76

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

GASB 54 Fund Balance classification by Purpose (as of August 31, 2018)

Special Revenue Funds			Permanent Funds		Debt Service Funds	
0387	0601	1697	0824	0825	0388	
Texas Opportunity Fund	Student Loan Auxiliary Fund	Revenue Bond Student Loan Fund	Nursing Allied Health	Minority Health Research/Edu	GO Bond Fund	Total
						\$ 48,202.90
						6,488,330.29
						40,976,016.33
						977,312.04
						63,042.07
					119,661,867.15	119,661,867.15
						326,000.00
						241,508.38
						8,893.85
						5,710.04
158,891,016.84	1,232,567,012.95	622,810.14				1,392,080,839.93
						42,000.00
				4,335,484.63		4,335,484.63
			4,365,371.62			4,365,371.62
						108,320,860.76
						232,137,462.08
						11.81
						61,754.63
						1,553,250.00
						273,980.27
						640,300.70
						2,239,672.06
						15,843,287.24
						1,170.99
						262,083.78
						250,983.04
						3,979.65
						441,523.70
						148,033.99
						1,115,238.33
						24,190.71
						84,702.65
						40,968.02
						199,897.05
						6,754,276.11
						1,500,000.00
						1,029,038.86
						983,170.54
						2,199,306.00
						116,671.98
						226,425.54
						1,063,553.86
						2,954,845.43
						55,720.46
						22,337,864.56
						5,106.90
						1,750,304.13
						117,013.20
						104,421.19
						14,882.15
<u>158,891,016.84</u>	<u>1,232,567,012.95</u>	<u>622,810.14</u>	<u>4,365,371.62</u>	<u>4,335,484.63</u>	<u>119,661,867.15</u>	<u>\$ 1,974,476,531.60</u>

UNAUDITED

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, 2018, is presented below:

	Balance 9/1/2017	Additions	Deletions	Balance 8/31/2018
GOVERNMENTAL ACTIVITIES				
Depreciable Assets				
Furniture and Equipment	817,057.59	22,820.00	(299,911.36)	539,966.23
Total Depreciable Assets	817,057.59	22,820.00	(299,911.36)	539,966.23
Less Accumulated Depreciation for:				
Furniture and Equipment	(763,164.56)	(18,556.80)	299,911.36	(481,810.00)
Total Accumulated Depreciation	(763,164.56)	(18,556.80)	299,911.36	(481,810.00)
Depreciable Assets, Net	53,893.03	4,263.20	-	58,156.23
Governmental Activities Capital Assets, Net	\$ 53,893.03	\$ 4,263.20	\$ -	\$ 58,156.23

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, 2018, the following changes occurred in liabilities:

Governmental Activities	Balance 09/01/2017	Additions	Reductions	Other Changes	Balance 08/31/2018	Amounts Due Within One Year
General Obligation Bonds Payable	1,092,870,170.63	155,720,000.00	(60,460,000.00)	3,226,783.52	1,191,356,954.15	74,758,439.26
Compensable Leave	1,699,350.90	1,771,212.18	(1,653,829.51)		1,816,733.57	1,156,615.01
Arbitrage Rebate Liability	6,089,870.01	170,9614.34			7,799,484.35	
Total Governmental Activities	\$1,100,659,391.54	\$159,200,826.52	(\$62,113,829.51)	\$3,226,783.52	\$1,200,973,172.07	\$75,915,054.27

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.

UNAUDITED

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, 2018, bonds payable consisted of thirteen general obligation issues for student loans totaling \$1,115,475,000.00. Bond issue dates for all College Student Bonds range from June 28, 2007 to December 21, 2017.

The Texas Constitution limits the amount of bonds that can be issued by the THECB. As of August 31, 2018 the authorized but unissued bonds totaled \$1,020,015,153.00 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 2018, the THECB sold \$155,720,000.00 State of Texas College Student Loan Bonds, Series 2017. They were issued as General Obligation Bonds, with a delivery date of December 21, 2017. The proceeds of the issue included a Net Original Issue Premium of \$14,893,631.95. Costs of Issuance totaled \$670,560.25, and were paid out of funds on hand. The proceeds from the Series 2017 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 2018.

NOTE 7: DERIVATIVE INSTRUMENTS

Not Applicable.

UNAUDITED

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	1,500,734.76

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
2019	1,397,560.35
2020	1,397,560.35
Total minimum future lease rental payments	\$2,795,120.71

NOTE 9: PENSION PLANS

Not Applicable.

NOTE 10: DEFERRED COMPENSATION

Not Applicable.

NOTE 11: POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

Not Applicable.

UNAUDITED

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, 2018, were as follows:

<u>Interagency Balances:</u>	<u>Due From Other Agencies</u>	<u>Due To Other Agencies</u>
GOVERNMENTAL FUNDS:		
GENERAL FUND:		
Fund 0001:	\$ 4,987,500.31	\$ 11,449,678.52
Fund 0802:	12,056.30	67.66
PERMANENT FUND:		
Fund 0810:	529,356.73	
Fund 0824:		232,387.95
Fund 0825:	980.00	230,964.74
Total Due From/Due To Other Agencies (Exh I)	<u>\$ 5,529,893.34</u>	<u>\$ 11,913,098.87</u>

<u>Operating Transfers:</u>	<u>Transfers In</u>	<u>Transfers Out</u>
GOVERNMENTAL FUNDS:		
GENERAL FUND:		
Fund 0001:	\$ 14,554,174.58	\$ 55,167,562.06
Fund 0802:	12,056.30	27,034.40
Fund 5111:	23,674.64	20,879.78
Fund 5144:		22,423.38
SPECIAL REVENUE FUND:		
Fund 0387:	27,429,001.68	32,813,941.04
Fund 0601:	1,780.57	117,974,290.37
Fund 0697:	34.07	306,165.28
DEBT SERVICE FUND:		
Fund 0388:	136,907,457.08	26,900,041.94
Fund 0697:	87,908.91	87,908.91
PERMANENT FUND:		
Fund 0824:	1,639,896.56	
Fund 0825:	911,881.44	
Total Operating Transfers In/Out (Exh II)	<u>\$ 181,567,865.83</u>	<u>\$ 233,320,247.16</u>

FIDUCIARY FUNDS:		
PRIVATE PURPOSE TRUST FUND		
Fund 0823:	1,560,244.33	
Total Transfers In/Out (Exh VII)	<u>\$ 1,560,244.33</u>	<u>\$</u>

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

UNAUDITED

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

NOTE 13: CONTINUANCE SUBJECT TO REVIEW

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

NOTE 14: ADJUSTMENTS TO FUND BALANCE AND NET POSITION

Restatements for Bond Issuance Costs:

An internal review identified several payments for grants that should have been accrued in fiscal year 2017. The accounts were corrected subsequent to 8/31/2017. As a result, the agency restated the beginning fund balance for Exhibit E-2 in the amount of \$1,186,605.00.

For FY 2018, fund balances have been restated as follows:

RESTATEMENTS BY GOVERNMENTAL FUND TYPE		
Restatements		Special Revenue (Exhibit E-2)
Fund Bal/Net Assets-September 1, 2017	\$	9,818,704.67
Restatements		(1,186,605.00)
Fund Bal/Net Assets-September 1, 2017, as restated	\$	8,632,099.67

NOTE 15: CONTINGENT LIABILITIES

Unpaid Claims and Lawsuits:

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

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

Federal and State Financial Assistance Programs:

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

Arbitrage:

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

It is estimated that \$7,799,484.35 in excess earnings may become due to the federal government at some point in the future. This estimate, however, does not take into account predictions of the next year's activity. Therefore, at the time payment is due to the United States government, it is probable that this figure will have changed and cannot be reasonably determined at this time what amount, if any, may be due.

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

NOTE 16: SUBSEQUENT EVENTS

The agency expects to close on a \$103.7 million refunding 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 Refunding Bond Series 2018R", and will have an anticipated closing date of November 29th, 2018.

The agency expects to close on a \$175 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 2019", and will have an anticipated closing date of February 20th, 2019.

Bond Issuance	Series	Estimated Issue Amount (Par & Premium)	Expected Date of Issuance	Purpose
General Obligation Refunding Bonds	2018	\$103,676,713.05	11/29/2018	Refund Bonds from Series 2007A and 2008A
General Obligation Bonds	2019	\$175,000,000.00	2/20/2019	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 2018, 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 2018 was \$21,210.81. 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 2018 were \$22,160.31.

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 2018, 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	6,089,870.01	1,709,614.34		7,799,484.35

NOTE 18: MANAGEMENT DISCUSSION AND ANALYSIS

The THECB issued one bond series in FY 2018 for a total par value of \$155,720,000.00. For details related to this bond series, please refer to Note 6 – Bonded Indebtedness within the Notes to the Financial Statements.

NOTE 19: THE FINANCIAL REPORTING ENTITY

The College for All Texans (CFAT) Foundation changed its name to Texas Higher Education Foundation (THEF) during FY2018. THEF is a Texas non-profit organization that is organized to support THECB program initiatives. THEF is a legally separate, fiscally independent entity for which the THECB appoints a voting majority of the board, but the THECB is not financially accountable to the foundation nor can it impose its will on THEF. There is no financial benefit or burden relationship between THECB and the foundation, therefore, THEF has been classified as a related organization.

NOTE 20: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Not Applicable.

UNAUDITED

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

NOTE 22: DONOR RESTRICTED ENDOWMENTS

Not Applicable.

NOTE 23: EXTRAORDINARY AND SPECIAL ITEMS

Not Applicable.

NOTE 24: DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

Not Applicable.

NOTE 25: TERMINATION BENEFITS

Not Applicable.

NOTE 26: TERMINATION BENEFITS

Not Applicable.

NOTE 27: SERVICE CONCESSION ARRANGEMENTS

Not Applicable.

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

Not Applicable.

NOTE 29: TROUBLED DEBT RESTRUCTURING

Not Applicable.

NOTE 30: NON-EXCHANGE FINANCIAL GUARANTEES

Not Applicable.

NOTE 31: TAX ABATEMENTS

Not Applicable.

UNAUDITED

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

NOTE 32: FUND BALANCES

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

GAAP Fund	Fund	AFR 54 Class	Citation	Comments
0001	0001	Assigned	85th Leg, GAA, Art III, Rider 9	Common Application funds collected can only be used for the programs specific purpose.
0001	0001	Assigned	85th Leg, GAA, Art IX, Sec 8.07	Conference fund proceeds can only be used to reimburse costs for this self-supporting, agency specific program.
0001	0001	Nonspendable - LT Contract and Receivables	85th Leg, GAA, Art III, Rider 28	Non current portion of loan receivables representing future loan repayments.
0001	0001	Nonspendable - LT Contract and Receivables	85th Leg, GAA, Art III, Rider 32	Non current portion of loan receivables representing future loan repayments.
0001	0001	Nonspendable - LT Contract and Receivables	85th Leg, GAA, Art III, Rider 35; Texas Education Code 56.0092	Non current portion of loan receivables representing future loan repayments.
0001	0001	Nonspendable - Prepaids	85th Leg, GAA, Art III, Rider 5	Prepaid postage to support the agency's loan program.
0001	0001	Restricted	85th Leg, GAA, Art IX, Section 8.01 Acceptance of Gifts of Money.	Donor restricts use of funds for program-specific purposes only.
0001	0001	Restricted	Federal CFDA 17.258	Federal funds, restrictions are externally imposed by federal government agencies.
0001	0001	Restricted	Federal CFDA 84.048	Federal funds, restrictions are externally imposed by federal government agencies.
0001	0001	Restricted	Federal CFDA 84.305H	Federal funds, restrictions are externally imposed by federal government agencies.
0001	0001	Restricted	Federal CFDA 84.367	Federal funds, restrictions are externally imposed by federal government agencies.
0824	0824	Committed	85th Leg, GAA, Art III, Rider 13; Tex Educ. Code Ann §63.201	Restrained for use by Education Code.
0825	0825	Committed	85th Leg, GAA, Art III, Rider 13; Tex Educ. Code Ann §63.301	Restrained for use by Education Code.

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT A-1
 COMBINING BALANCE SHEET
 ALL GENERAL AND CONSOLIDATED FUNDS
 For the Year Ended August 31, 2018

	General (0001) (Note A)	Consolidated Funds License Plate Trust Fund (0802) U/F (0802)
ASSETS		
Current Assets:		
Cash:		
Shared Funds	\$	\$
On Hand		
In State Treasury		
Legislative Appropriations	68,975,189.87	
Receivable From:		
Accounts Receivable	255,342.60	783.40
Federal	6,205,915.52	
Interest and Dividends (net of Allowance for Doubtful Accounts of \$358,595.03)	93,039.21	67.66
Due From Other Agencies (Note 12)	4,987,500.31	12,056.30
Prepaid Items	48,202.90	
Loans & Contracts (net of Allowance for Doubtful Accounts of \$2,083,998.09)	4,626,083.87	
Restricted		
Loans & Contracts (net of Allowance for Doubtful Accounts of \$2,475,461.39)		
Total Current Assets	<u>85,191,274.28</u>	<u>12,907.36</u>
Non-Current Assets:		
Receivable From:		
Interest and Dividends (net of Allowance for Doubtful Accounts of \$1,502,556.77)	955,044.80	
Loans & Contracts (net of Allowance for Doubtful Accounts of \$21,392,178.57)	47,486,613.86	
Restricted:		
Receivable From:		
Interest and Dividends (net of Allowance for Doubtful Accounts of \$2,178,410.59)		
Loans & Contracts (net of Allowance for Doubtful Accounts of \$25,410,537.78)		
Total Non-Current Assets	<u>48,441,658.66</u>	
TOTAL ASSETS	<u>133,632,932.94</u>	<u>12,907.36</u>
LIABILITIES AND FUND BALANCES		
Current Liabilities:		
Payables from:		
Accounts - Vendors	157,838.00	
Accounts - Grants and Loans	6,518,118.83	12,839.70
Payroll	1,932,652.16	
Due To Other Agencies (Note 12)	11,449,678.52	67.66
Total Liabilities	<u>20,058,287.51</u>	<u>12,907.36</u>

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT A-1
 COMBINING BALANCE SHEET
 ALL GENERAL AND CONSOLIDATED FUNDS
 For the Year Ended August 31, 2018

Texas B-On-Time (5103) U/F (5103)	Trauma Facility And EMS (5111) U/F (5111)	Physician Ed LRP (5144) U/F (5144)	TOTALS (Exhibit I)
\$	\$	\$	\$
126,534,045.71		108,320,860.76	234,854,906.47
			68,975,189.87
19,784.45			275,910.45
			6,205,915.52
			93,106.87
			4,999,556.61
			48,202.90
			4,626,083.87
9,372,739.44			9,372,739.44
<u>135,926,569.60</u>		<u>108,320,860.76</u>	<u>329,451,612.00</u>
			955,044.80
			47,486,613.86
96,210,892.48			96,210,892.48
<u>96,210,892.48</u>			<u>144,652,551.14</u>
<u>232,137,462.08</u>		<u>108,320,860.76</u>	<u>474,104,163.14</u>
			157,838.00
			6,530,958.53
			1,932,652.16
			<u>11,449,746.18</u>
			20,071,194.87

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT A-1
COMBINING BALANCE SHEET
ALL GENERAL AND CONSOLIDATED FUNDS
For the Year Ended August 31, 2018

	General (0001) (Note A)	Consolidated Funds License Plate Trust Fund (0802) U/F (0802)
FUND FINANCIAL STATEMENT-FUND BALANCES		
Fund Balances (Deficits):		
Nonspendable-Prepaid Items	48,202.90	
Nonspendable-LT Contract and Receivables	48,441,658.66	
Restricted	687,154.34	
Committed		
Assigned	61,766.44	
Unassigned	64,335,863.09	
Total Fund Balances	113,574,645.43	
TOTAL LIABILITIES AND FUND BALANCES	\$ 133,632,932.94	\$ 12,907.36

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

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT A-1
 COMBINING BALANCE SHEET
 ALL GENERAL AND CONSOLIDATED FUNDS
 For the Year Ended August 31, 2018

Texas B-On-Time (5103) U/F (5103)	Trauma Facility And EMS (5111) U/F (5111)	Physician Ed LRP (5144) U/F (5144)	TOTALS (Exhibit I)
			48,202.90
			48,441,658.66
			687,154.34
232,137,462.08		108,320,860.76	340,458,322.84
			61,766.44
			<u>64,335,863.09</u>
<u>232,137,462.08</u>		<u>108,320,860.76</u>	<u>454,032,968.27</u>
<u>\$ 232,137,462.08</u>	<u>\$</u>	<u>\$ 108,320,860.76</u>	<u>\$ 474,104,163.14</u>

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT A-2
 COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES
 IN FUND BALANCES-ALL GENERAL AND CONSOLIDATED FUNDS
 For the Year Ended August 31, 2018

	General (0001) (Note A)	Consolidated Funds License Plate Trust Fund (0802) U/F (0802)
REVENUES		
Legislative Appropriations:		
Original Legislative Appropriation Revenue	\$ 1,607,746,838.65	\$
Additional Legislative Appropriation Revenue	2,568,377.60	
Federal Revenues	4,107,955.96	
Federal Grant Pass-Through Revenues	27,462,559.36	
Licenses, Fees and Permits	781,076.58	153,881.85
Interest and Investment Income	891,661.73	836.07
Other Revenues	2,097,473.71	
Total Revenues	<u>1,645,655,943.59</u>	<u>154,717.92</u>
EXPENDITURES		
Salaries & Wages	16,979,237.63	
Payroll Related Costs	4,957,393.40	
Professional Fees & Services	4,732,971.19	
Travel	150,963.84	
Materials & Supplies	756,882.00	
Communication & Utilities	421,663.51	
Repairs & Maintenance	17,053.19	
Rentals & Leases	1,668,997.91	
Printing & Reproduction	8,996.40	
Federal Grant Pass-Through Expenditures	4,941,356.26	
State Grant Pass-Through Expenditures	460,831,878.06	
Intergovernmental Payments	1,067,509,655.75	112,727.23
Public Assistance Payments	19,739,882.79	33,937.99
Other Expenditures	10,189,697.39	
Capital Outlays	22,820.00	
Total Expenditures	<u>1,592,929,449.32</u>	<u>146,665.22</u>
Excess (Deficiency) Of Revenues Over Expenditures	<u>52,726,494.27</u>	<u>8,052.70</u>

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT A-2
 COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES
 IN FUND BALANCES-ALL GENERAL AND CONSOLIDATED FUNDS
 For the Year Ended August 31, 2018

Consolidated Funds				TOTALS (Exhibit II)
Texas B-On-Time (5103) U/F (5103)	Trauma Facility And EMS (5111) U/F (5111)	Physician Ed L.RP (5144) U/F (5144)		
\$	\$	\$	\$	1,607,746,838.65
				2,568,377.60
				4,107,955.96
				27,462,559.36
1,152,386.29				2,087,344.72
736,289.59				1,628,787.39
				2,097,473.71
<u>1,888,675.88</u>				<u>1,647,699,337.39</u>
				16,980,941.51
13.07	1,690.81			4,960,911.92
2,414.47	1,104.05			5,382,971.19
650,000.00				150,963.84
				756,882.00
				421,663.51
				17,053.19
728,500.00				2,397,497.91
				8,996.40
				4,941,356.26
				460,831,878.06
				1,067,622,382.98
		9,650,930.09		29,424,750.87
14,982,053.12				25,171,750.51
				22,820.00
<u>16,362,980.66</u>	<u>2,794.86</u>	<u>9,650,930.09</u>		<u>1,619,092,820.15</u>
<u>(14,474,304.78)</u>	<u>(2,794.86)</u>	<u>(9,650,930.09)</u>		<u>28,606,517.24</u>

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT A-2
 COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES
 IN FUND BALANCES-ALL GENERAL AND CONSOLIDATED FUNDS
 For the Year Ended August 31, 2018

	General (0001) (Note A)	Consolidated Funds License Plate Trust Fund (0802) U/F (0802)
OTHER FINANCING SOURCES (USES)		
Appropriations Lapsed	(4,618,914.63)	
Transfers In (Note 12)	14,554,174.58	12,056.30
Transfers Out (Note 12)	(55,167,562.06)	(27,034.40)
Legislative Transfers Out (Note 12)	(200,000.00)	
Total Other Financing Sources (Uses)	(45,432,302.11)	(14,978.10)
Net Change in Fund Balances\Net Assets	7,294,192.16	(6,925.40)
Fund Financial Statement-Fund Balances		
Fund Balances-September 1, 2017	106,280,453.27	6,925.40
FUND BALANCES - August 31, 2018	\$ 113,574,645.43	\$

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, 2018

Consolidated Funds			
Texas B-On-Time (5103) U/F (5103)	Trauma Facility And EMS (5111) U/F (5111)	Physician Ed LRP (5144) U/F (5144)	TOTALS (Exhibit II)
			(4,618,914.63)
	23,674.64		14,589,905.52
	(20,879.78)	(22,423.38)	(55,237,899.62)
			(200,000.00)
	2,794.86	(22,423.38)	(45,466,908.73)
(14,474,304.78)		(9,673,353.47)	(16,860,391.49)
246,611,766.86		117,994,214.23	470,893,359.76
\$ 232,137,462.08	\$	\$ 108,320,860.76	\$ 454,032,968.27

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT B-1
 COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS
 For the Year Ended August 31, 2018

	Texas Opportunity Plan Fund (0387) (Note A)	Student Loan Auxiliary Fund (0601) (Note B)
ASSETS		
Current Assets:		
Cash:		
Shared Funds In State Treasury	\$ 44,513,515.38	\$ 143,892,109.43
Receivables from:		
Accounts Receivable		55.00
Interest and Dividends (Less Allowance for Doubtful Accounts of (\$5,332,704.50))	1,003,731.98	8,435,943.61
Restricted:		
Loans and Contracts (Less Allowance for Doubtful Accounts of (\$16,280,803.87))	9,152,562.16	88,206,552.05
Total Current Assets	<u>54,669,809.52</u>	<u>240,534,660.09</u>
Non-Current Assets:		
Restricted:		
Receivable from:		
Interest and Dividends (Less Allowance for Doubtful Accounts of (\$54,740,053.74))	10,303,278.93	86,594,710.81
Loans and Contracts (Less Allowance for Doubtful Accounts of (\$167,121,969.17))	93,950,779.13	905,437,642.05
Total Non-Current Assets	<u>104,254,058.06</u>	<u>992,032,352.86</u>
TOTAL ASSETS	<u>158,923,867.58</u>	<u>1,232,567,012.95</u>
LIABILITIES AND FUND BALANCES		
Current Liabilities:		
Payables from:		
Accounts - Vendors	24,000.00	
Accounts - Grants and Loans	8,850.74	
Total Liabilities	<u>32,850.74</u>	
FUND FINANCIAL STATEMENT-FUND BALANCES		
FUND BALANCES (DEFICITS):		
Restricted	<u>158,891,016.84</u>	<u>1,232,567,012.95</u>
Total Fund Balances	<u>158,891,016.84</u>	<u>1,232,567,012.95</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 158,923,867.58</u>	<u>\$ 1,232,567,012.95</u>

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

Note B: Includes USAS fund numbers 0601, 1601, 2601, 3601, 4601, 5601, 6010, 6011, 6012, 6013, 6014, 6015, 6016, 6017, 6018, 6019, 6020, 6021, 6022, 6023, 6024, 6025, 6026, 6027, 6028, 6029, 6030, 6031, 6032, 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-1
 COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS
 For the Year Ended August 31, 2018

Revenue Bond Student Loan Fund (0697) U/F (1697)	Suspense Fund Fund (0900) U/F (1900)	TOTALS (Exhibit I)
\$	\$ 580,330.78	\$ 580,330.78
		188,405,624.81
		55.00
7,020.79		9,446,696.38
48,266.54		97,407,380.75
55,287.33	580,330.78	295,840,087.72
72,068.26		96,970,058.00
495,454.55		999,883,875.73
567,522.81		1,096,853,933.73
622,810.14	580,330.78	1,392,694,021.45
		24,000.00
	580,330.78	589,181.52
	580,330.78	613,181.52
622,810.14		1,392,080,839.93
622,810.14		1,392,080,839.93
\$ 622,810.14	\$ 580,330.78	\$ 1,392,694,021.45

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, 2018

	Texas Opportunity Plan Fund (0387) (Note A)	Student Loan Auxiliary Fund (0601) (Note B)
	<hr/>	<hr/>
REVENUES		
Federal Revenues	\$ 5,189.29	\$ 15,420.78
Licenses, Fees & Permits	375,853.92	2,015,389.97
Interest and Investment Income	10,022,462.47	58,199,453.06
	<hr/>	<hr/>
Total Revenues	10,403,505.68	60,230,263.81
EXPENDITURES		
Salaries & Wages	129.04	
Payroll Related Costs	23,831.68	
State Grant Pass-Through Expenditures	5,000.00	
Other Expenditures	5,943,054.09	26,873,191.79
Debt Service Principal		12,862.01
Debt Service Interest		201,634.16
Other Financing Fees	291,768.86	435,491.38
	<hr/>	<hr/>
Total Expenditures	6,263,783.67	27,523,179.34
Excess (Deficiency) of Revenues Over Expenditures	<hr/>	<hr/>
	4,139,722.01	32,707,084.47
OTHER FINANCING SOURCES (USES)		
Bond and Note Proceeds		155,720,000.00
Premium on Sale of Bonds		15,523,393.00
Discount on Sale of Bonds		(629,761.05)
Transfers In (Note 12)	27,429,001.68	1,780.57
Transfers Out (Note 12)	(32,813,941.04)	(117,974,290.37)
	<hr/>	<hr/>
Total Other Financing Sources (Uses)	(5,384,939.36)	52,641,122.15
Net Change in Fund Balances\Net Assets	(1,245,217.35)	85,348,206.62
Fund Financial Statement-Fund Balances		
Fund Balances-September 1, 2017	<hr/>	<hr/>
	160,136,234.19	1,147,218,806.33
FUND BALANCES - August 31, 2018	<hr/>	<hr/>
	\$ 158,891,016.84	\$ 1,232,567,012.95

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, 6017, 6018, 6019, 6020, 6021, 6022, 6023, 6024, 6025, 6026, 6027, 6028, 6029, 6030, 6031, 6032, 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, 2018

Revenue Bond Student Loan Fund (0697) U/F (1697)	Suspense Fund Fund (0900) U/F (1900)	TOTALS (Exhibit II)
\$ 175.12	\$	\$ 20,785.19
1,307.96		2,392,551.85
180,600.16		68,402,515.69
<u>182,083.24</u>		<u>70,815,832.73</u>
		129.04
		23,831.68
		5,000.00
153,563.82		32,969,809.70
		12,862.01
		201,634.16
		<u>727,260.24</u>
<u>153,563.82</u>		<u>33,940,526.83</u>
28,519.42		<u>36,875,325.90</u>
		155,720,000.00
		15,523,393.00
		(629,761.05)
34.07		27,430,816.32
(306,165.28)		(151,094,396.69)
<u>(306,131.21)</u>		<u>46,950,051.58</u>
(277,611.79)		<u>83,825,377.48</u>
900,421.93		<u>1,308,255,462.45</u>
<u>\$ 622,810.14</u>	<u>\$</u>	<u>\$ 1,392,080,839.93</u>

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT C-1

COMBINING BALANCE SHEET - DEBT SERVICE FUNDS

For the Year Ended August 31, 2018

	GO Bond Fund (0388) (Note A)	Revenue Bond Fund (0697) U/F (0697)	TOTALS (Exhibit I)
ASSETS			
Current Assets:			
Cash:			
In State Treasury	\$ 118,805,434.95	\$	\$ 118,805,434.95
Receivables from:			
Accounts Receivable	277,335.33		277,335.33
Interest and Dividends	579,096.87		579,096.87
Total Current Assets	119,661,867.15		119,661,867.15
TOTAL ASSETS	119,661,867.15		119,661,867.15
LIABILITIES AND FUND BALANCES			
Liabilities			
Current Liabilities:			
Payables from:			
Accounts - Grants and Loans			
Total Liabilities			
FUND FINANCIAL STATEMENT-FUND BALANCES			
FUND BALANCES (DEFICITS):			
Restricted	119,661,867.15		119,661,867.15
Total Fund Balances	119,661,867.15		119,661,867.15
Total Liabilities and Fund Balances	\$ 119,661,867.15	\$	\$ 119,661,867.15

Note A: Includes USAS fund numbers 0388, 1388, 2388, 3388, 3800, 3801, 3804, 3806, 3808, 3811, 3813, 3814, 3815, 3816, 3817, 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, 2018

	GO Bond Fund (0388) (Note A)	Revenue Bond Fund (0697) U/F (0697)	TOTALS (Exhibit II)
REVENUES			
Federal Revenues	\$ 15,099.69	\$	\$ 15,099.69
Licenses, Fees and Permits	60.03		60.03
Interest and Investment Income	6,137,853.23		6,137,853.23
Total Revenues	<u>6,153,012.95</u>		<u>6,153,012.95</u>
EXPENDITURES			
Debt Service:			
Principal	60,447,137.99		60,447,137.99
Interest	54,120,854.75		54,120,854.75
Total Expenditures	<u>114,567,992.74</u>		<u>114,567,992.74</u>
Excess (Deficiency) Of Revenues Over Expenditures	<u>(108,414,979.79)</u>		<u>(108,414,979.79)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In (Note 12)	136,907,457.08	87,908.91	136,995,365.99
Transfers Out (Note 12)	(26,900,041.94)	(87,908.91)	(26,987,950.85)
Total Other Financing Sources (Uses)	<u>110,007,415.14</u>		<u>110,007,415.14</u>
Net Change in Fund Balances\Net Assets	1,592,435.35		1,592,435.35
FUND BALANCES (DEFICITS):			
Fund Balances-September 1, 2017	<u>118,069,431.80</u>		<u>118,069,431.80</u>
FUND BALANCES - August 31, 2018	<u>\$ 119,661,867.15</u>	<u>\$</u>	<u>\$ 119,661,867.15</u>

Note A: Includes USAS fund numbers 0388, 1388, 2388, 3388, 3800, 3801, 3804, 3806, 3808, 3811, 3813, 3814, 3815, 3816, 3817, 2017, 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, 2018

	Perm Fund Support Graduate Edu Fund Fund (0179) U/F (0179)	Baylor COM Perm Health Fund Fund (0810) U/F (0810)
	<u> </u>	<u> </u>
ASSETS		
Current Assets:		
Cash:		
In State Treasury	\$	\$
Receivable From:		
Interest & Dividends	3,280.85	27.20
Due From Other Agencies (Note 12)		529,356.73
	<u> </u>	<u> </u>
Total Current Assets	3,280.85	529,383.93
	<u> </u>	<u> </u>
Total Assets	<u> </u> 3,280.85	<u> </u> 529,383.93
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Current Liabilities:		
Payables from:		
Accounts - Grants and Loans	3,280.85	529,383.93
Due To Other Agencies (Note 12)		
	<u> </u>	<u> </u>
Total Current Liabilities	3,280.85	529,383.93
	<u> </u>	<u> </u>
Total Liabilities	<u> </u> 3,280.85	<u> </u> 529,383.93
FUND FINANCIAL STATEMENT-FUND BALANCES		
FUND BALANCES (DEFICITS):		
Committed		
	<u> </u>	<u> </u>
Total Fund Balances	<u> </u>	<u> </u>
TOTAL LIABILITIES AND FUND BALANCES	<u> </u> \$ 3,280.85	<u> </u> \$ 529,383.93

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, 2018

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)
\$ 5,278,140.62	\$ 4,575,486.65	\$ 9,853,627.27
8,903.83	7,870.07	16,801.10
<u>5,287,044.45</u>	<u>4,584,336.72</u>	<u>10,400,765.10</u>
<u>5,287,044.45</u>	<u>4,584,336.72</u>	<u>10,400,765.10</u>
689,284.88	17,887.35	1,236,556.16
232,387.95	230,964.74	463,352.69
<u>921,672.83</u>	<u>248,852.09</u>	<u>1,699,908.85</u>
<u>921,672.83</u>	<u>248,852.09</u>	<u>1,699,908.85</u>
4,365,371.62	4,335,484.63	8,700,856.25
<u>4,365,371.62</u>	<u>4,335,484.63</u>	<u>8,700,856.25</u>
<u>\$ 5,287,044.45</u>	<u>\$ 4,584,336.72</u>	<u>\$ 10,400,765.10</u>

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, 2018

	Perm Fund Support Graduate Edu Fund Fund (0179) <u>U/F (0179)</u>	Baylor COM Perm Health Fund Fund (0810) <u>U/F (0810)</u>
REVENUES		
Interest and Investment Income	\$ 11,082,224.98	\$ 2,113,859.38
Total Revenues	<u>11,082,224.98</u>	<u>2,113,859.38</u>
EXPENDITURES		
State Grant Pass-Through Expenditures		
Intergovernmental Payments	3,412,416.74	2,113,873.51
Public Assistance Payments	<u>7,669,808.24</u>	
Total Expenditures	<u>11,082,224.98</u>	<u>2,113,873.51</u>
Excess (Deficiency) of Revenues Over Expenditures		<u>(14.13)</u>
OTHER FINANCING SOURCES (USES)		
Transfers In (Note 12)		
Total Other Financing Sources (Uses)		
Net Change in Fund Balances\Net Assets		(14.13)
Fund Financial Statement-Fund Balances		
Fund Balances-September 1, 2017		14.13
Restatements (Note 14)		
Fund Balances-September 1, 2017, as Restated		<u>14.13</u>
FUND BALANCES - August 31, 2018	<u>\$</u>	<u>\$</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, 2018

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)
\$ 87,377.07	\$ 73,751.73	\$ 13,357,213.16
<u>87,377.07</u>	<u>73,751.73</u>	<u>13,357,213.16</u>
585,930.34	694,421.53	1,280,351.87
1,337,087.37	26,696.85	6,890,074.47
<u>1,923,017.71</u>	<u>721,118.38</u>	<u>15,840,234.58</u>
(1,835,640.64)	(647,366.65)	(2,483,021.42)
<u>1,639,896.56</u>	<u>911,881.44</u>	<u>2,551,778.00</u>
<u>1,639,896.56</u>	<u>911,881.44</u>	<u>2,551,778.00</u>
(195,744.08)	264,514.79	68,756.58
5,747,720.70	4,070,969.84	9,818,704.67
(1,186,605)		(1,186,605.00)
<u>4,561,115.70</u>	<u>4,070,969.84</u>	<u>8,632,099.67</u>
<u>\$ 4,365,371.62</u>	<u>\$ 4,335,484.63</u>	<u>\$ 8,700,856.25</u>

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, 2018

UNAPPROPRIATED RECEIPTS	Balance			Ending
<u>Child Support Deds-Suspense</u>	September 1,			Balance
<u>Fund (0807) (U/F 8070)</u>	2017	Additions	Deductions	August 31,
				2018
ASSETS				
Current Assets:				
Cash in State Treasury	\$ 3,410.49	\$ 36,605.97	\$ 37,928.46	\$ 2,088.00
TOTAL ASSETS	<u>3,410.49</u>	<u>36,605.97</u>	<u>37,928.46</u>	<u>2,088.00</u>
LIABILITIES				
Current Liabilities:				
Funds Held for Others	3,410.49	36,605.97	37,928.46	2,088.00
TOTAL LIABILITIES	<u>\$ 3,410.49</u>	<u>\$ 36,605.97</u>	<u>\$ 37,928.46</u>	<u>\$ 2,088.00</u>

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, 2018

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	CFDA Number	Agy/ Univ //	Pass-Through From	
			Agencies or Univ Amount	Non-State Entities Amount
Non-clustered Programs			\$	\$
U.S. Dept. of Education				
Direct Programs:				
Improving Teacher Quality State Grants	84.367			
State Agency Administration				
Pass-Through To:				
Tarleton State University				
University of Texas at Arlington				
University of Texas - El Paso				
University of Houston				
Univ of Texas-Permian Basin				
Univ of Texas - San Antonio				
Univ of 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				
Vocational Education-Basic Grants	84.048	701	27,393,103.62	
State Agency Administration				
Pass-Through To:				
Tx State Tech College System				
Lamar State College - Orange				
Lamar State College-Port Arthur				
Lamar Univ Institute of Tech				
Other Non-State Entities				
RAND - IES Administration	84.30511			204,002.85
State Agency Administration				
Statewide Longitudinal Data Systems	84.372	701	(34.92)	
Total U.S. Dept. of Education			<u>27,393,068.70</u>	<u>204,002.85</u>
U.S. Dept. of Labor				
Direct Programs:				
Apprenticeship USA Grants	17.285	320	14,164.00	
State Agency Administration				
Total U.S. Dept. of Labor			<u>14,164.00</u>	<u>0.00</u>
WIA / WIOA Cluster				
U.S. Dept. of Labor				
Pass-Through From:				
WIOA Adult Program	17.258	320	55,326.66	
State Agency Administration				
Total U.S. Dept. of Labor			<u>55,326.66</u>	<u>0.00</u>
Research & Development Cluster				
U.S. Dept. of Education				
Improving Teacher Quality State Grants	84.367			
Texas A & M University				
Total U.S. Dept. of Education			<u>0.00</u>	<u>0.00</u>
Student Financial Assistance Cluster				
U.S. Dept. of Health and Human Services				
Direct Programs:				
Health Education Assistance Loans	93.108			
Beginning Balance on Student Loans				
Total U.S. Dept. of Health and Human Services			<u>0.00</u>	<u>0.00</u>

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 1-A
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended August 31, 2018

Direct Program Amount	Total PT From & Direct Program	Pass-Through To			Expenditures Amount	Total PT To & Expenditures
		Agy/ Univ #	State Agy or Univ Amount	Non-State Entities Amount		
\$	\$	\$	\$	\$	\$	\$
2,807,865.93	2,807,865.93				173,604.38	0.00 173,604.38
		713	362,142.00			362,142.00
		714	110,774.65			110,774.65
		724	41,059.97			41,059.97
		730	336,048.92			336,048.92
		742	143,747.00			143,747.00
		743	214,711.71			214,711.71
		750	47,638.26			47,638.26
		751	90,626.17			90,626.17
		752	175,190.36			175,190.36
		753	34,468.98			34,468.98
		754	108,331.58			108,331.58
		773	55,193.00			55,193.00
				914,328.95		914,328.95
780,997.01	28,174,100.63				707,904.78	707,904.78
		719	2,217,959.76			2,217,959.76
		787	256,673.00			256,673.00
		788	148,160.00			148,160.00
		789	297,383.00			297,383.00
				24,546,020.09		24,546,020.09
13,807.35	217,810.20			120,000.00		120,000.00
34.92	0.00				97,810.20	97,810.20
3,602,705.21	31,199,776.76		4,640,108.36	25,580,349.04	979,319.36	31,199,776.76
	14,164.00				14,164.00	14,164.00
0.00	14,164.00		0.00	0.00	14,164.00	14,164.00
0.00	55,326.66				55,326.66	0.00 55,326.66
0.00	55,326.66		0.00	0.00	55,326.66	55,326.66
301,247.90	301,247.90					
301,247.90	301,247.90	711	301,247.90			301,247.90
			301,247.90	0.00	0.00	301,247.90
2,110,570.43	2,110,570.43				2,110,570.43	2,110,570.43
2,110,570.43	2,110,570.43		0.00	0.00	2,110,570.43	2,110,570.43

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 1-A
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended August 31, 2018

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	CFDA Number	Agy/ Univ #	Pass-Through From	
			Agencies or Univ Amount	Non-State Entities Amount
Student Financial Assistance Cluster				
U.S. Dept. of Education				
Direct Programs:				
Federal Family Education Loans	84.032L			
Beginning Balance on Student Loans				
Interest Subsidy on Student Loans				
Allowance on Student Loans				
Total Student Financial Assistance Cluster			0.00	0.00
TOTAL FEDERAL FINANCIAL ASSISTANCE			\$ 27,462,559.36	\$ 204,002.85

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 1-A
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended August 31, 2018

Direct Program Amount	Total PT From & Direct Program	Pass-Through To		Expenditures Amount	Total PT To & Expenditures
		Agy/ Univ #	State Agy or Univ Amount		
5,443,095.50	5,443,095.50			5,407,210.62	5,407,210.62
				20,965.60	20,965.60
				14,919.28	14,919.28
<u>5,443,095.50</u>	<u>5,443,095.50</u>		<u>0.00</u>	<u>5,443,095.50</u>	<u>5,443,095.50</u>
<u>\$ 11,457,619.04</u>	<u>\$ 39,124,181.25</u>		<u>\$ 4,941,356.26</u>	<u>\$ 25,580,349.04</u>	<u>\$ 8,602,475.95</u>
				<u>\$ 39,124,181.25</u>	

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 1-A
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2018

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)	4,143,840.84
Federal Grant Pass-Through Revenues (Exh. II)	<u>27,462,559.36</u>
Subtotal	31,606,400.20
<u>RECONCILING ITEMS:</u>	
U.S. Dept. of Health and Human Services:	
Health Education Assistance Loans - CFDA # 93.108	2,110,570.43
U.S. Dept. of Education:	
Federal Family Education Loans - CFDA # 84.032L	<u>5,407,210.62</u>
Total Pass-Through & Expenditures per Schedule 1-A	<u>\$ 39,124,181.25</u>

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 1-A
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended August 31, 2018

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	\$5,407,210.62	-	35,884.88	\$35,884.88	\$4,136,833.65
Dept. of Health and Human Services / 93.108 Health Education Assistance Loans	\$2,110,570.43	-	-	\$ -	\$1,534,008.01

Note 5: Unemployment Insurance

Not Applicable

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

Not Applicable

Note 7: Federal Unearned Revenue

Not Applicable

Note 8: Supplemental Nutrition Assistance Program (SNAP)

Not Applicable

Note 9 - Economic Adjustment Assistance

Not Applicable

Note 10 - 10 Percent de Minimis Indirect Cost Rate

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 1-B
SCHEDULE OF STATE GRANT PASS-THROUGHS
FROM/TO STATE AGENCIES

For the Year Ended August 31, 2018

<u>State Pass-Through Grants to:</u>	
Accelerate Texas CC Grants	
714 - UNIVERSITY OF TEXAS AT ARLINGTON	\$ (3,774.86)
Accelerate Texas CC Grants Total	(3,774.86)
Advanced Research Program	
714 - UNIVERSITY OF TEXAS AT ARLINGTON	(45,170.64)
Advanced Research Program Total	(45,170.64)
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
Autism - BCBA Training	
711 - TEXAS A&M UNIVERSITY	354,370.00
733 - TEXAS TECH UNIVERSITY	238,660.70
743 - UNIVERSITY OF TEXAS AT SAN ANTONIO	106,729.00
753 - SAM HOUSTON STATE UNIVERSITY	21,588.77
754 - TEXAS STATE UNIVERSITY	77,411.72
759 - UNIVERSITY OF HOUSTON - CLEAR LAKE	141,449.00
Autism - BCBA Training Total	940,209.19
Autism - Parent Direct Treatment	
711 - TEXAS A&M UNIVERSITY	497,932.00
721 - UNIVERSITY OF TEXAS AT AUSTIN	219,940.00
738 - UNIVERSITY OF TEXAS AT DALLAS	152,565.00
743 - UNIVERSITY OF TEXAS AT SAN ANTONIO	102,939.00
744 - UT HEALTH SCIENCE CENTER AT HOUSTON	102,613.00
752 - UNIVERSITY OF NORTH TEXAS	72,175.66
754 - TEXAS STATE UNIVERSITY	90,799.12
759 - UNIVERSITY OF HOUSTON - CLEAR LAKE	452,265.00
Autism - Parent Direct Treatment Total	1,691,228.78
Autism - Research, Dev. & Eval	
738 - UNIVERSITY OF TEXAS AT DALLAS	684,060.50
743 - UNIVERSITY OF TEXAS AT SAN ANTONIO	625,531.50
752 - UNIVERSITY OF NORTH TEXAS	94,721.00
Autism - Research, Dev. & Eval Total	1,404,313.00
Bilingual Education Program	
714 - UNIVERSITY OF TEXAS AT ARLINGTON	58,032.00
731 - TEXAS WOMAN'S UNIVERSITY	107,142.00
733 - TEXAS TECH UNIVERSITY	98,110.67
738 - UNIVERSITY OF TEXAS AT DALLAS	107,142.00
751 - TEXAS A&M UNIVERSITY - COMMERCE	104,677.50
752 - UNIVERSITY OF NORTH TEXAS	107,142.00
773 - UNIVERSITY OF NORTH TEXAS-DALLAS	96,085.00
Bilingual Education Program Total	678,331.17
College Readiness Initiative	
719 - TEXAS STATE TECHNICAL COLLEGE SYSTEM	65,000.00
724 - UNIVERSITY OF TEXAS AT EL PASO	(34,786.14)
730 - UNIVERSITY OF HOUSTON	59,706.02
733 - TEXAS TECH UNIVERSITY	91,408.47
773 - UNIVERSITY OF NORTH TEXAS-DALLAS	80,000.00
College Readiness Initiative Total	261,328.35

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, 2018

College Work Study Program	
709 - TX A&M UNIV SYSTEM HEALTH SCIENCE CENTER	18,941.00
711 - TEXAS A&M UNIVERSITY	222,289.00
713 - TARLETON STATE UNIVERSITY	81,121.00
714 - UNIVERSITY OF TEXAS AT ARLINGTON	126,110.63
715 - PRAIRIE VIEW A&M UNIVERSITY	69,757.02
717 - TEXAS SOUTHERN UNIVERSITY	65,570.52
718 - TEXAS A&M UNIVERSITY AT GALVESTON	8,561.00
719 - TEXAS STATE TECHNICAL COLLEGE SYSTEM	77,563.82
721 - UNIVERSITY OF TEXAS AT AUSTIN	195,739.00
724 - UNIVERSITY OF TEXAS AT EL PASO	183,539.78
730 - UNIVERSITY OF HOUSTON	248,201.00
731 - TEXAS WOMAN'S UNIVERSITY	97,061.23
732 - TEXAS A&M UNIVERSITY-KINGSVILLE	53,576.00
733 - TEXAS TECH UNIVERSITY	168,539.00
734 - LAMAR UNIVERSITY	93,663.00
735 - MIDWESTERN STATE UNIVERSITY	34,182.92
737 - ANGELO STATE UNIVERSITY	48,167.37
738 - UNIVERSITY OF TEXAS AT DALLAS	102,808.00
742 - UNIVERSITY OF TEXAS OF THE PERMIAN BASIN	24,726.00
743 - UNIVERSITY OF TEXAS AT SAN ANTONIO	192,533.00
745 - UT HEALTH SCIENCE CENTER AT SAN ANTONIO	24,964.00
746 - UNIVERSITY OF TEXAS RIO GRANDE VALLEY	224,642.00
749 - TEXAS A&M UNIVERSITY-SAN ANTONIO	34,366.00
750 - UNIVERSITY OF TEXAS AT TYLER	48,720.00
751 - TEXAS A&M UNIVERSITY - COMMERCE	61,599.98
752 - UNIVERSITY OF NORTH TEXAS	113,902.34
753 - SAM HOUSTON STATE UNIVERSITY	130,032.00
754 - TEXAS STATE UNIVERSITY	237,879.16
755 - STEPHEN F AUSTIN STATE UNIVERSITY	84,324.43
756 - SUL ROSS STATE UNIVERSITY	21,884.00
757 - WEST TEXAS A&M UNIVERSITY	48,012.14
759 - UNIVERSITY OF HOUSTON - CLEAR LAKE	41,582.00
760 - TEXAS A&M UNIVERSITY - CORPUS CHRISTI	73,387.00
761 - TEXAS A&M INTERNATIONAL UNIVERSITY	59,516.00
765 - UNIVERSITY OF HOUSTON-VICTORIA	20,627.89
770 - TEXAS A&M UNIVERSITY-CENTRAL TEXAS	17,433.00
784 - UNIVERSITY OF HOUSTON DOWNTOWN	93,966.00
787 - LAMAR STATE COLLEGE - ORANGE	10,021.00
788 - LAMAR STATE COLLEGE - PORT ARTHUR	10,915.00
789 - LAMAR INSTITUTE OF TECHNOLOGY	11,874.00
College Work Study Program Total	3,482,298.23
Developmental Education Program	
714 - UNIVERSITY OF TEXAS AT ARLINGTON	(15,000.00)
719 - TEXAS STATE TECHNICAL COLLEGE SYSTEM	(4,042.60)
734 - LAMAR UNIVERSITY	75,000.00
753 - SAM HOUSTON STATE UNIVERSITY	72,066.31
754 - TEXAS STATE UNIVERSITY	23,258.79
755 - STEPHEN F AUSTIN STATE UNIVERSITY	4,040.25
784 - UNIVERSITY OF HOUSTON DOWNTOWN	98,393.00

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 1-B
SCHEDULE OF STATE GRANT PASS-THROUGHS
FROM/TO STATE AGENCIES

For the Year Ended August 31, 2018

Developmental Education Program Total	253,715.75
Educational Aide Program	
717 - TEXAS SOUTHERN UNIVERSITY	2,126.46
730 - UNIVERSITY OF HOUSTON	7,229.30
737 - ANGELO STATE UNIVERSITY	12,195.00
742 - UNIVERSITY OF TEXAS OF THE PERMIAN BASIN	12,195.00
743 - UNIVERSITY OF TEXAS AT SAN ANTONIO	2,462.00
746 - UNIVERSITY OF TEXAS RIO GRANDE VALLEY	12,195.00
749 - TEXAS A&M UNIVERSITY-SAN ANTONIO	12,195.00
752 - UNIVERSITY OF NORTH TEXAS	12,195.00
753 - SAM HOUSTON STATE UNIVERSITY	12,195.00
759 - UNIVERSITY OF HOUSTON - CLEAR LAKE	12,195.00
760 - TEXAS A&M UNIVERSITY - CORPUS CHRISTI	12,194.69
761 - TEXAS A&M INTERNATIONAL UNIVERSITY	12,195.00
765 - UNIVERSITY OF HOUSTON-VICTORIA	12,195.00
770 - TEXAS A&M UNIVERSITY-CENTRAL TEXAS	10,103.00
788 - LAMAR STATE COLLEGE - PORT ARTHUR	4,867.51
Educational Aide Program Total	148,737.96
Emergency and Trauma Care	
721 - UNIVERSITY OF TEXAS AT AUSTIN	238,390.00
729 - UT SOUTHWESTERN MEDICAL CENTER	215,445.00
744 - UT HEALTH SCIENCE CENTER AT HOUSTON	688,432.35
745 - UT HEALTH SCIENCE CENTER AT SAN ANTONIO	192,500.00
774 - TX TECH UNIV HEALTH SCIENCE CNTR EL PASO	165,000.00
Emergency and Trauma Care Total	1,499,767.35
Engineering Recruitment Program	
711 - TEXAS A&M UNIVERSITY	(1,225.59)
714 - UNIVERSITY OF TEXAS AT ARLINGTON	(15,526.53)
715 - PRAIRIE VIEW A&M UNIVERSITY	44.48
717 - TEXAS SOUTHERN UNIVERSITY	(1,647.14)
724 - UNIVERSITY OF TEXAS AT EL PASO	(843.47)
734 - LAMAR UNIVERSITY	(804.03)
738 - UNIVERSITY OF TEXAS AT DALLAS	(1,281.69)
742 - UNIVERSITY OF TEXAS OF THE PERMIAN BASIN	(3,908.74)
743 - UNIVERSITY OF TEXAS AT SAN ANTONIO	(169.06)
746 - UNIVERSITY OF TEXAS RIO GRANDE VALLEY	155.55
752 - UNIVERSITY OF NORTH TEXAS	(1,919.82)
760 - TEXAS A&M UNIVERSITY - CORPUS CHRISTI	(27.58)
761 - TEXAS A&M INTERNATIONAL UNIVERSITY	(135.45)
Engineering Recruitment Program Total	(27,289.07)
Family Practice Residency Program	
709 - TX A&M UNIV SYSTEM HEALTH SCIENCE CENTER	168,396.00
721 - UNIVERSITY OF TEXAS AT AUSTIN	133,475.00
723 - UT MEDICAL BRANCH AT GALVESTON	185,677.30
729 - UT SOUTHWESTERN MEDICAL CENTER	212,055.00
739 - TX TECH UNIVERSITY HEALTH SCIENCES CENTR	668,663.00
744 - UT HEALTH SCIENCE CENTER AT HOUSTON	193,635.55
745 - UT HEALTH SCIENCE CENTER AT SAN ANTONIO	265,077.19
746 - UNIVERSITY OF TEXAS RIO GRANDE VALLEY	112,264.00
763 - UNIV OF NORTH TX HEALTH SCI CTR FT WORTH	267,992.72

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

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

For the Year Ended August 31, 2018

774 - TX TECH UNIV HEALTH SCIENCE CNTR EL PASO	143,449.00
785 - UT HEALTH CENTER AT TYLER	162,186.00
Family Practice Residency Program Total	2,512,870.76
GME Expansion	
739 - TX TECH UNIVERSITY HEALTH SCIENCES CENTR	(7,263.00)
GME Expansion Total	(7,263.00)
GME Expansion SB 18	
721 - UNIVERSITY OF TEXAS AT AUSTIN	2,025,000.00
723 - UT MEDICAL BRANCH AT GALVESTON	750,000.00
729 - UT SOUTHWESTERN MEDICAL CENTER	600,000.00
739 - TX TECH UNIVERSITY HEALTH SCIENCES CENTR	3,900,000.00
744 - UT HEALTH SCIENCE CENTER AT HOUSTON	2,471,539.51
745 - UT HEALTH SCIENCE CENTER AT SAN ANTONIO	1,424,834.73
746 - UNIVERSITY OF TEXAS RIO GRANDE VALLEY	1,800,000.00
774 - TX TECH UNIV HEALTH SCIENCE CNTR EL PASO	1,670,048.81
785 - UT HEALTH CENTER AT TYLER	800,890.33
GME Expansion SB 18 Total	15,442,313.38
GME New/Expanded Programs	
729 - UT SOUTHWESTERN MEDICAL CENTER	900,000.00
739 - TX TECH UNIVERSITY HEALTH SCIENCES CENTR	450,000.00
746 - UNIVERSITY OF TEXAS RIO GRANDE VALLEY	1,125,000.00
GME New/Expanded Programs Total	2,475,000.00
GME Unfilled Positions	
723 - UT MEDICAL BRANCH AT GALVESTON	225,000.00
729 - UT SOUTHWESTERN MEDICAL CENTER	600,000.00
744 - UT HEALTH SCIENCE CENTER AT HOUSTON	3,675,000.00
763 - UNIV OF NORTH TX HEALTH SCI CTR FT WORTH	450,000.00
GME Unfilled Positions Total	4,950,000.00
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	
721 - UNIVERSITY OF TEXAS AT AUSTIN	5,000.00
Ken Ashworth Scholarship Fund Total	5,000.00
Minority Health Research and Education	
709 - TX A&M UNIV SYSTEM HEALTH SCIENCE CENTER	29,135.32
721 - UNIVERSITY OF TEXAS AT AUSTIN	6,423.75
723 - UT MEDICAL BRANCH AT GALVESTON	172,242.79
724 - UNIVERSITY OF TEXAS AT EL PASO	10,749.47
729 - UT SOUTHWESTERN MEDICAL CENTER	49,894.82
731 - TEXAS WOMAN'S UNIVERSITY	142,866.44
744 - UT HEALTH SCIENCE CENTER AT HOUSTON	(980.00)
746 - UNIVERSITY OF TEXAS RIO GRANDE VALLEY	41,884.31
752 - UNIVERSITY OF NORTH TEXAS	78,947.82
753 - SAM HOUSTON STATE UNIVERSITY	15,638.98
763 - UNIV OF NORTH TX HEALTH SCI CTR FT WORTH	20,372.47
765 - UNIVERSITY OF HOUSTON-VICTORIA	127,245.36
Minority Health Research and Education Total	694,421.53
Nursing and Allied Health	
709 - TX A&M UNIV SYSTEM HEALTH SCIENCE CENTER	34,512.17

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, 2018

714 - UNIVERSITY OF TEXAS AT ARLINGTON	54,512.77
721 - UNIVERSITY OF TEXAS AT AUSTIN	47,245.66
724 - UNIVERSITY OF TEXAS AT EL PASO	63,166.49
730 - UNIVERSITY OF HOUSTON	101,548.63
739 - TX TECH UNIVERSITY HEALTH SCIENCES CENTR	56,731.55
751 - TEXAS A&M UNIVERSITY - COMMERCE	143.55
753 - SAM HOUSTON STATE UNIVERSITY	189,530.09
757 - WEST TEXAS A&M UNIVERSITY	4,125.25
760 - TEXAS A&M UNIVERSITY - CORPUS CHRISTI	23,054.08
788 - LAMAR STATE COLLEGE - PORT ARTHUR	11,360.10
Nursing and Allied Health Total	585,930.34
Preceptorship Program	
744 - UT HEALTH SCIENCE CENTER AT HOUSTON	(44,266.26)
Preceptorship Program Total	(44,266.26)
Professional Nursing Shortage Reduction Program	
709 - TX A&M UNIV SYSTEM HEALTH SCIENCE CENTER	251,021.06
713 - TARLETON STATE UNIVERSITY	296,760.00
714 - UNIVERSITY OF TEXAS AT ARLINGTON	2,632,830.07
715 - PRAIRIE VIEW A&M UNIVERSITY	1,327.65
719 - TEXAS STATE TECHNICAL COLLEGE SYSTEM	109,482.00
724 - UNIVERSITY OF TEXAS AT EL PASO	(383,535.00)
730 - UNIVERSITY OF HOUSTON	111,066.00
731 - TEXAS WOMAN'S UNIVERSITY	262,509.73
737 - ANGELO STATE UNIVERSITY	90,000.00
739 - TX TECH UNIVERSITY HEALTH SCIENCES CENTR	726,386.59
742 - UNIVERSITY OF TEXAS OF THE PERMIAN BASIN	(18,864.33)
744 - UT HEALTH SCIENCE CENTER AT HOUSTON	(564,489.47)
750 - UNIVERSITY OF TEXAS AT TYLER	(254,197.45)
751 - TEXAS A&M UNIVERSITY - COMMERCE	64,940.00
753 - SAM HOUSTON STATE UNIVERSITY	229,967.87
754 - TEXAS STATE UNIVERSITY	97,876.05
755 - STEPHEN F AUSTIN STATE UNIVERSITY	123,776.01
757 - WEST TEXAS A&M UNIVERSITY	57,493.05
760 - TEXAS A&M UNIVERSITY - CORPUS CHRISTI	442,164.20
761 - TEXAS A&M INTERNATIONAL UNIVERSITY	32,040.71
774 - TX TECH UNIV HEALTH SCIENCE CNTR EL PASO	125,273.68
788 - LAMAR STATE COLLEGE - PORT ARTHUR	51,545.49
Professional Nursing Shortage Reduction Program Total	4,485,373.91
Regional Pathways Project Grant	
714 - UNIVERSITY OF TEXAS AT ARLINGTON	14,000.00
746 - UNIVERSITY OF TEXAS RIO GRANDE VALLEY	7,970.47
752 - UNIVERSITY OF NORTH TEXAS	14,000.00
Regional Pathways Project Grant Total	35,970.47
Strategic Planning and Funding	
724 - UNIVERSITY OF TEXAS AT EL PASO	5,000.00
735 - MIDWESTERN STATE UNIVERSITY	5,000.00
761 - TEXAS A&M INTERNATIONAL UNIVERSITY	5,000.00
Strategic Planning and Funding Total	15,000.00
Student Success	
751 - TEXAS A&M UNIVERSITY - COMMERCE	(9,825.00)

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, 2018

Student Success Total	(9,825.00)
TEOG Public State/Tech Colleges	
719 - TEXAS STATE TECHNICAL COLLEGE SYSTEM	2,740,442.00
787 - LAMAR STATE COLLEGE - ORANGE	310,143.00
788 - LAMAR STATE COLLEGE - PORT ARTHUR	379,637.00
789 - LAMAR INSTITUTE OF TECHNOLOGY	408,717.00
TEOG Public State/Tech Colleges Total	3,838,939.00
TEXAS Grant Program	
506 - UT MD ANDERSON CANCER CENTER	97,972.00
709 - TX A&M UNIV SYSTEM HEALTH SCIENCE CENTER	105,941.00
711 - TEXAS A&M UNIVERSITY	32,641,410.00
713 - TARLETON STATE UNIVERSITY	7,728,859.00
714 - UNIVERSITY OF TEXAS AT ARLINGTON	14,266,334.00
715 - PRAIRIE VIEW A&M UNIVERSITY	10,582,069.00
717 - TEXAS SOUTHERN UNIVERSITY	8,078,053.00
718 - TEXAS A&M UNIVERSITY AT GALVESTON	738,611.00
721 - UNIVERSITY OF TEXAS AT AUSTIN	28,130,577.00
723 - UT MEDICAL BRANCH AT GALVESTON	45,000.00
724 - UNIVERSITY OF TEXAS AT EL PASO	23,461,152.00
730 - UNIVERSITY OF HOUSTON	22,910,339.00
731 - TEXAS WOMAN'S UNIVERSITY	8,087,692.00
732 - TEXAS A&M UNIVERSITY-KINGSVILLE	6,515,565.00
733 - TEXAS TECH UNIVERSITY	14,112,321.00
734 - LAMAR UNIVERSITY	6,034,253.00
735 - MIDWESTERN STATE UNIVERSITY	4,033,107.00
737 - ANGELO STATE UNIVERSITY	5,454,218.00
738 - UNIVERSITY OF TEXAS AT DALLAS	9,396,646.00
739 - TX TECH UNIVERSITY HEALTH SCIENCES CENTR	103,125.00
742 - UNIVERSITY OF TEXAS OF THE PERMIAN BASIN	1,725,317.00
743 - UNIVERSITY OF TEXAS AT SAN ANTONIO	20,716,066.00
744 - UT HEALTH SCIENCE CENTER AT HOUSTON	111,449.00
745 - UT HEALTH SCIENCE CENTER AT SAN ANTONIO	110,000.00
746 - UNIVERSITY OF TEXAS RIO GRANDE VALLEY	37,819,722.00
749 - TEXAS A&M UNIVERSITY-SAN ANTONIO	1,225,013.00
750 - UNIVERSITY OF TEXAS AT TYLER	2,307,590.00
751 - TEXAS A&M UNIVERSITY - COMMERCE	5,848,251.00
752 - UNIVERSITY OF NORTH TEXAS	22,433,730.00
753 - SAM HOUSTON STATE UNIVERSITY	14,091,578.00
754 - TEXAS STATE UNIVERSITY	27,005,684.00
755 - STEPHEN F AUSTIN STATE UNIVERSITY	8,807,343.00
756 - SUL ROSS STATE UNIVERSITY	1,790,937.00
757 - WEST TEXAS A&M UNIVERSITY	5,261,464.00
759 - UNIVERSITY OF HOUSTON - CLEAR LAKE	2,052,841.00
760 - TEXAS A&M UNIVERSITY - CORPUS CHRISTI	8,982,618.00
761 - TEXAS A&M INTERNATIONAL UNIVERSITY	9,488,953.00
764 - TEXAS A&M UNIVERSITY - TEXARKANA	769,279.00
765 - UNIVERSITY OF HOUSTON-VICTORIA	1,921,741.00
770 - TEXAS A&M UNIVERSITY-CENTRAL TEXAS	469,277.00
773 - UNIVERSITY OF NORTH TEXAS-DALLAS	1,617,314.00
784 - UNIVERSITY OF HOUSTON DOWNTOWN	6,433,055.00

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 1-B
SCHEDULE OF STATE GRANT PASS-THROUGHS
FROM/TO STATE AGENCIES

For the Year Ended August 31, 2018

TEXAS Grant Program Total	383,512,466.00
Texas Research Incentive Program - HB51	
714 - UNIVERSITY OF TEXAS AT ARLINGTON	2,511,500.00
724 - UNIVERSITY OF TEXAS AT EL PASO	50,000.00
730 - UNIVERSITY OF HOUSTON	5,641,612.00
733 - TEXAS TECH UNIVERSITY	1,968,956.00
738 - UNIVERSITY OF TEXAS AT DALLAS	150,000.00
743 - UNIVERSITY OF TEXAS AT SAN ANTONIO	5,225,595.00
752 - UNIVERSITY OF NORTH TEXAS	884,082.00
754 - TEXAS STATE UNIVERSITY	1,068,255.00
Texas Research Incentive Program - HB51 Total	17,500,000.00
Top 10% Scholarships	
709 - TX A&M UNIV SYSTEM HEALTH SCIENCE CENTER	22,000.00
711 - TEXAS A&M UNIVERSITY	776,000.00
714 - UNIVERSITY OF TEXAS AT ARLINGTON	124,000.00
718 - TEXAS A&M UNIVERSITY AT GALVESTON	8,000.00
721 - UNIVERSITY OF TEXAS AT AUSTIN	840,000.00
724 - UNIVERSITY OF TEXAS AT EL PASO	62,326.00
730 - UNIVERSITY OF HOUSTON	302,000.00
731 - TEXAS WOMAN'S UNIVERSITY	4,000.00
732 - TEXAS A&M UNIVERSITY-KINGSVILLE	16,000.00
733 - TEXAS TECH UNIVERSITY	34,000.00
734 - LAMAR UNIVERSITY	4,000.00
735 - MIDWESTERN STATE UNIVERSITY	14,000.00
737 - ANGELO STATE UNIVERSITY	12,000.00
738 - UNIVERSITY OF TEXAS AT DALLAS	196,000.00
743 - UNIVERSITY OF TEXAS AT SAN ANTONIO	125,674.00
745 - UT HEALTH SCIENCE CENTER AT SAN ANTONIO	4,000.00
746 - UNIVERSITY OF TEXAS RIO GRANDE VALLEY	14,000.00
751 - TEXAS A&M UNIVERSITY - COMMERCE	24,000.00
752 - UNIVERSITY OF NORTH TEXAS	188,000.00
753 - SAM HOUSTON STATE UNIVERSITY	20,000.00
754 - TEXAS STATE UNIVERSITY	64,000.00
755 - STEPHEN F AUSTIN STATE UNIVERSITY	32,000.00
756 - SUL ROSS STATE UNIVERSITY	6,000.00
757 - WEST TEXAS A&M UNIVERSITY	14,000.00
761 - TEXAS A&M INTERNATIONAL UNIVERSITY	80,000.00
784 - UNIVERSITY OF HOUSTON DOWNTOWN	4,000.00
Top 10% Scholarships Total	2,990,000.00
Work Study Mentorship Program	
713 - TARLETON STATE UNIVERSITY	14,830.00
714 - UNIVERSITY OF TEXAS AT ARLINGTON	100,738.73
715 - PRAIRIE VIEW A&M UNIVERSITY	(462.12)
717 - TEXAS SOUTHERN UNIVERSITY	61,472.00
719 - TEXAS STATE TECHNICAL COLLEGE SYSTEM	107,135.00
724 - UNIVERSITY OF TEXAS AT EL PASO	88,543.00
730 - UNIVERSITY OF HOUSTON	126,458.00
731 - TEXAS WOMAN'S UNIVERSITY	91,160.04
732 - TEXAS A&M UNIVERSITY-KINGSVILLE	37,783.79
738 - UNIVERSITY OF TEXAS AT DALLAS	54,752.00

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, 2018

742 - UNIVERSITY OF TEXAS OF THE PERMIAN BASIN	46,875.00
746 - UNIVERSITY OF TEXAS RIO GRANDE VALLEY	(54,821.82)
750 - UNIVERSITY OF TEXAS AT TYLER	12,945.00
751 - TEXAS A&M UNIVERSITY - COMMERCE	62,308.00
752 - UNIVERSITY OF NORTH TEXAS	196,783.72
753 - SAM HOUSTON STATE UNIVERSITY	51,487.50
754 - TEXAS STATE UNIVERSITY	22,371.00
755 - STEPHEN F AUSTIN STATE UNIVERSITY	29,316.53
757 - WEST TEXAS A&M UNIVERSITY	65,518.00
760 - TEXAS A&M UNIVERSITY - CORPUS CHRISTI	130,885.40
761 - TEXAS A&M INTERNATIONAL UNIVERSITY	40,808.00
773 - UNIVERSITY OF NORTH TEXAS-DALLAS	21,668.28
784 - UNIVERSITY OF HOUSTON DOWNTOWN	4,548.54
789 - LAMAR INSTITUTE OF TECHNOLOGY	6,706.00
Work Study Mentorship Program Total	1,319,809.59
Total State Pass-Through Grants To Other Agencies (Exh. II)	\$ <u>462,117,229.93</u>

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 2-A
MISCELLANEOUS BOND INFORMATION

For the Year Ended August 31, 2018

Description of Issue	Bonds Issued To Date	Range of Interest Rates		Scheduled Maturities		First Call Date
				First Year	Last Year	
General Obligation Bonds:						
COL STUD LOAN BDS SER'07A	72,805,000.00	5.00%	5.25%	2011	2031	08/01/2017 (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 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 BDS SER'11A	118,650,000.00	5.00%	5.00%	2015	2036	(A,B)
COL STUD LOAN RFD BDS SER'11B	27,020,000.00	2.00%	5.00%	2012	2018	N/A
COL STUD LOAN RFD BDS SER'11C	6,570,000.00	5.00%	5.00%	2019	2022	N/A
COL STUD LOAN BDS SER'12	85,615,000.00	3.00%	5.50%	2016	2035	08/01/2022 (A)
COL STUD LOAN RFD BDS SER'13A	98,550,000.00	2.00%	5.00%	2014	2023	N/A
COL STUD LOAN BDS SER'13B	113,740,000.00	4.00%	5.50%	2019	2030	08/01/2023 (A)
COL STUD LOAN BDS SER'14	68,130,000.00	4.00%	6.00%	2019	2030	08/01/2024 (A)
COL STUD LOAN BDS SER'15	150,000,000.00	4.00%	5.00%	2020	2034	08/01/2025 (A)
COL STUD LOAN BDS SER'16	158,065,000.00	5.00%	6.00%	2021	2040	08/01/2026 (A)
COL STUD LOAN BDS SER'17	155,720,000.00	3.00%	5.00%	2022	2041	02/01/2028 (A)
Total General Obligation Bonds	<u>\$ 1,367,790,000.00</u>					

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 of each of the years listed below and continuing each subsequent year until scheduled maturity:

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

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 2-B

CHANGES IN BONDED INDEBTEDNESS

For the Year Ended August 31, 2018

Governmental Activities

Description of Issue	Bonds Outstanding 9/1/2017	Bonds Issued	Bonds Matured or Retired	Bonds Outstanding 8/31/2018	Unamortized Premium/ Discount	Net Bonds Outstanding 8/31/2018	Amounts Due Within One Year
General Obligation Bonds:							
COL STUD LOAN BDS SER'07A	56,405,000.00		2,830,000.00	53,575,000.00		53,575,000.00	2,980,000.00
COL STUD LOAN RFD BDS SER'07B	6,685,000.00		6,685,000.00				
COL STUD LOAN BDS SER'08A	60,170,000.00		2,760,000.00	57,410,000.00		57,410,000.00	2,895,000.00
COL STUD LOAN RFD BDS SER'08B	7,045,000.00		7,045,000.00				
COL STUD LOAN BDS SER'09	60,275,000.00		2,575,000.00	57,700,000.00		57,700,000.00	2,700,000.00
COL STUD LOAN BDS SER'10	99,505,000.00		3,920,000.00	95,585,000.00	7,452,044.93	103,037,044.93	4,545,752.81
COL STUD LOAN BDS SER'11A	108,935,000.00		3,565,000.00	105,370,000.00	2,081,000.95	107,451,000.95	4,128,783.03
COL STUD LOAN RFD BDS SER'11B	545,000.00		545,000.00				
COL STUD LOAN RFD BDS SER'11C	6,570,000.00			6,570,000.00	229,491.01	6,799,491.01	1,687,314.35
COL STUD LOAN BDS SER'12	81,195,000.00		11,500,000.00	69,695,000.00	2,922,669.63	72,617,669.63	20,218,566.47
COL STUD LOAN RFD BDS SER'13A	42,950,000.00		19,035,000.00	23,915,000.00	1,050,708.97	24,965,708.97	20,789,075.66
COL STUD LOAN BDS SER'13B	113,740,000.00			113,740,000.00	6,636,044.57	120,376,044.57	6,547,712.31
COL STUD LOAN BDS SER'14	68,130,000.00			68,130,000.00	7,948,662.58	76,078,662.58	3,339,285.37
COL STUD LOAN BDS SER'15	150,000,000.00			150,000,000.00	14,312,644.87	164,312,644.87	1,986,386.72
COL STUD LOAN BDS SER'16	158,065,000.00			158,065,000.00	19,285,062.14	177,350,062.14	1,597,875.95
COL STUD LOAN BDS SER'17		155,720,000.00		155,720,000.00	13,963,624.50	169,683,624.50	1,342,686.59
Total General Obligation Bonds	\$ 1,020,215,000.00	\$ 155,720,000.00	\$ 60,460,000.00	\$ 1,115,475,000.00	\$ 75,881,954.15	\$ 1,191,356,954.15	\$ 74,758,439.26

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 2-C
DEBT SERVICE REQUIREMENTS

For the Year Ended August 31, 2018

Description of Issue	Year	Principal	Interest
<u>General Obligation Bonds:</u>			
COL STUD LOAN BDS SER'07A	2019	2,980,000.00	2,720,112.50
	2020	3,135,000.00	2,563,662.50
	2021	3,300,000.00	2,399,075.00
	2022	3,475,000.00	2,225,825.00
	2023	3,655,000.00	2,043,387.50
	2024-2028	21,355,000.00	7,230,750.00
	2029-2033	15,675,000.00	1,594,250.00
		<u>\$ 53,575,000.00</u>	<u>\$ 20,777,062.50</u>
COL STUD LOAN BDS SER'08A	2019	2,895,000.00	2,962,337.50
	2020	3,050,000.00	2,810,350.00
	2021	3,210,000.00	2,650,225.00
	2022	3,375,000.00	2,481,700.00
	2023	3,555,000.00	2,304,512.50
	2024-2028	20,675,000.00	8,622,875.00
	2029-2033	20,650,000.00	2,779,087.50
		<u>\$ 57,410,000.00</u>	<u>\$ 24,611,087.50</u>
COL STUD LOAN BDS SER'09	2019	2,700,000.00	2,840,843.76
	2020	2,810,000.00	2,732,843.76
	2021	2,950,000.00	2,592,343.76
	2022	3,095,000.00	2,444,843.76
	2023	3,250,000.00	2,290,093.76
	2024-2028	18,870,000.00	8,842,968.80
	2029-2033	24,025,000.00	3,683,937.52
		<u>\$ 57,700,000.00</u>	<u>\$ 25,427,875.12</u>
COL STUD LOAN BDS SER'10	2019	4,080,000.00	4,738,450.00
	2020	4,240,000.00	4,575,250.00
	2021	4,455,000.00	4,363,250.00
	2022	4,675,000.00	4,140,500.00
	2023	4,910,000.00	3,906,750.00
	2024-2028	28,480,000.00	15,597,000.00
	2029-2033	36,350,000.00	7,728,250.00
	2034-2038	8,395,000.00	419,750.00
		<u>\$ 95,585,000.00</u>	<u>\$ 45,469,200.00</u>
COL STUD LOAN BDS SER'11A	2019	3,745,000.00	5,268,500.00
	2020	3,935,000.00	5,081,250.00
	2021	4,130,000.00	4,884,500.00
	2022	4,335,000.00	4,678,000.00
	2023	4,555,000.00	4,461,250.00
	2024-2028	26,415,000.00	18,654,750.00
	2029-2033	33,710,000.00	11,357,250.00
	2034-2038	24,545,000.00	2,494,500.00
		<u>\$ 105,370,000.00</u>	<u>\$ 56,880,000.00</u>
COL STUD LOAN RFD BDS SER'11C	2019	1,590,000.00	328,500.00
	2020	1,625,000.00	249,000.00
	2021	1,660,000.00	167,750.00
	2022	1,695,000.00	84,750.00
		<u>\$ 6,570,000.00</u>	<u>\$ 830,000.00</u>
COL STUD LOAN BDS SER'12	2019	18,805,000.00	3,372,656.26
	2020	13,185,000.00	2,338,381.26
	2021	7,295,000.00	1,613,206.26
	2022	1,065,000.00	1,211,981.26
	2023	2,890,000.00	1,158,731.26
	2024-2028	11,205,000.00	3,750,806.30
	2029-2033	10,515,000.00	1,950,687.52
	2034-2038	4,735,000.00	255,912.52
		<u>\$ 69,695,000.00</u>	<u>\$ 15,652,362.64</u>

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 2-C
DEBT SERVICE REQUIREMENTS

For the Year Ended August 31, 2018

Description of Issue	Year	Principal	Interest
COL STUD LOAN RFD BDS SER'13A	2019	20,015,000.00	1,195,750.00
	2020	895,000.00	195,000.00
	2021	945,000.00	150,250.00
	2022	1,000,000.00	103,000.00
	2023	1,060,000.00	53,000.00
			<u>\$ 23,915,000.00</u>
COL STUD LOAN BDS SER'13B	2019	5,000,000.00	5,383,950.00
	2020	8,000,000.00	5,133,950.00
	2021	10,000,000.00	4,733,950.00
	2022	10,655,000.00	4,208,950.00
	2023	11,210,000.00	3,649,562.50
	2024-2028	53,920,000.00	9,230,662.50
	2029-2033	14,955,000.00	921,625.00
		<u>\$ 113,740,000.00</u>	<u>\$ 33,262,650.00</u>
COL STUD LOAN BDS SER'14	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	6,900,000.00	2,885,200.00
	2023	5,180,000.00	2,471,200.00
	2024-2028	30,765,000.00	7,494,900.00
	2029-2033	14,425,000.00	871,000.00
		<u>\$ 68,130,000.00</u>	<u>\$ 23,964,900.00</u>
COL STUD LOAN BDS SER'15	2019	0.00	6,666,500.00
	2020	7,200,000.00	6,666,500.00
	2021	7,415,000.00	6,306,500.00
	2022	7,715,000.00	5,935,750.00
	2023	8,020,000.00	5,550,000.00
	2024-2028	46,535,000.00	21,318,250.00
	2029-2033	59,395,000.00	10,103,000.00
	2034-2038	13,720,000.00	548,800.00
		<u>\$ 150,000,000.00</u>	<u>\$ 63,095,300.00</u>
COL STUD LOAN BDS SER'16	2019	0.00	8,459,325.00
	2020	0.00	8,459,325.00
	2021	4,510,000.00	8,459,325.00
	2022	4,780,000.00	8,188,725.00
	2023	5,065,000.00	7,901,925.00
	2024-2028	29,830,000.00	35,010,625.00
	2029-2033	38,980,000.00	25,854,500.00
	2034-2038	50,790,000.00	14,046,950.00
	2039-2043	24,110,000.00	1,823,000.00
		<u>\$ 158,065,000.00</u>	<u>\$ 118,203,700.00</u>
COL STUD LOAN BDS SER'17	2019	0.00	6,283,700.00
	2020	0.00	6,283,700.00
	2021	0.00	6,283,700.00
	2022	4,980,000.00	9,301,050.00
	2023	5,230,000.00	3,017,350.00
	2024-2028	30,340,000.00	25,980,000.00
	2029-2033	37,965,000.00	18,581,500.00
	2034-2038	45,670,000.00	11,039,600.00
	2039-2043	31,535,000.00	2,454,550.00
		<u>\$ 155,720,000.00</u>	<u>\$ 89,225,150.00</u>

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 2-D

ANALYSIS OF FUNDS AVAILABLE FOR DEBT SERVICE

For the Year Ended August 31, 2018

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>\$ 60,460,000.00</u>	<u>\$ 54,322,488.91</u>

