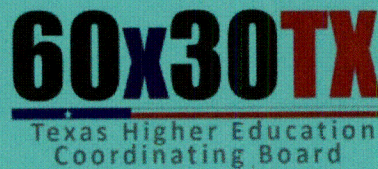


Texas Higher Education Coordinating Board



Annual Financial Report
For the Year Ended August 31, 2015

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

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TEXAS HIGHER EDUCATION COORDINATING BOARD

P.O. Box 12788 Austin, Texas 78711

Robert W. Jenkins
CHAIR

Vacant
VICE CHAIR

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

Christina Delgado
STUDENT REPRESENTATIVE

Dora G. Alcalá
S. Javid Anwar
Ambassador Sada Cumber
Fred Farias III, O.D.
Janelle Shepard
John T. Steen, 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, 2015

To: Honorable Greg Abbott, Governor
Honorable Glenn Hegar, Texas Comptroller
Ursula Parks, Director, Legislative Budget Board
John Keel, CPA, State Auditor

From: Raymund A. Paredes *RAP*

RE: Annual Financial Report

We are pleased to submit the annual financial report of the Texas Higher Education Coordinating Board for the year ended 08/31/2015, in compliance with Texas Government Code Annotated, 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. Victoria Royal may be contacted at (512) 427-6163 for questions related to the Schedule of Expenditures of Federal Awards.

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, 2015

	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	\$ 750,345.45	\$ 356,456.73	\$	\$
On Hand	100.00			
In State Treasury	312,407,144.97	103,132,111.81	122,029,011.01	11,549,359.59
Legislative Appropriations	71,988,538.61			
Receivable From:				
Accounts Receivable	936,500.88	2,680.00	434,718.32	
Federal	5,924,023.66			
Interest and Dividends (net of Allowance for Doubtful Accounts of \$4,081,154.80)	32,158.25	9,224,335.37	83,785.51	4,256.44
Due From Other Agencies (Note 12)	4,311,389.95			543,195.30
Prepaid Items	49,583.04			
Loans & Contracts (net of Allowance for Doubtful Accounts of \$2,897,962.74)	4,355,692.44			
Restricted:				
Loans & Contracts (net of Allowance for Doubtful Accounts of \$17,461,375.43)	8,485,503.96	84,383,798.42		
Total Current Assets	409,240,981.21	197,099,382.33	122,547,514.84	12,096,811.33
Non-Current Assets:				
Receivable From:				
Interest and Dividends (net of Allowance for Doubtful Accounts of \$435,226.32)	311,237.65			
Loans & Contracts (net of Allowance for Doubtful Accounts of \$29,577,141.55)	42,229,057.04			
Restricted:				
Receivable From:				
Interest and Dividends (net of Allowance for Doubtful Accounts of \$41,217,791.35)	61.10	89,431,056.57		
Loans & Contracts (net of Allowance for Doubtful Accounts of \$178,214,013.89)	82,268,166.32	818,112,913.41		
Capital Assets (Note 2):				
Depreciable:				
Furniture and equipment				
Accumulated depreciation				
Net depreciable capital assets				
Total Non-Current Assets	124,808,522.11	907,543,969.98		
TOTAL ASSETS	\$ 534,049,503.32	\$ 1,104,643,352.31	\$ 122,547,514.84	\$ 12,096,811.33

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT I
 COMBINED BALANCE SHEET/STATEMENT OF NET POSITION
 GOVERNMENTAL FUNDS
 For the Year Ended August 31, 2015

Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Net Position
\$ 1,106,802.18	\$	\$	\$ 1,106,802.18
100.00			100.00
549,117,627.38			549,117,627.38
71,988,538.61			71,988,538.61
1,373,899.20			1,373,899.20
5,924,023.66			5,924,023.66
9,344,535.57			9,344,535.57
4,854,585.25			4,854,585.25
49,583.04			49,583.04
4,355,692.44			4,355,692.44
92,869,302.38			92,869,302.38
<u>740,984,689.71</u>			<u>740,984,689.71</u>
311,237.65			311,237.65
42,229,057.04			42,229,057.04
89,431,117.67			89,431,117.67
900,381,079.73			900,381,079.73
	822,961.52		822,961.52
	(793,833.10)		(793,833.10)
	29,128.42		29,128.42
<u>1,032,352,492.09</u>	<u>29,128.42</u>		<u>1,032,381,620.51</u>
\$ 1,773,337,181.80	\$ 29,128.42	\$	\$ 1,773,366,310.22

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT I
 COMBINED BALANCE SHEET/STATEMENT OF NET POSITION
 GOVERNMENTAL FUNDS
 For the Year Ended August 31, 2015

	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	\$ 246,655.19	\$	\$	\$
Accounts - Grants and Loans	7,377,569.00	485,808.98		543,195.30
Payroll	1,746,280.14			
Accounts - Federal		92.49		
Bond Interest Payable				
Employees' Compensable Leave Payable (Note 5)				
General Obligation Bonds Payable (Note 5, 6)				
Due To Other Agencies (Note 12)	12,543,701.75			1,003,627.52
Total Current Liabilities	21,914,206.08	485,901.47		1,546,822.82
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	21,914,206.08	485,901.47		1,546,822.82
FUND FINANCIAL STATEMENT-FUND BALANCES				
Fund Balances (Deficits):				
Nonspendable-Prepaid Items	49,583.04			
Nonspendable-LT Contract and Receivables	42,540,294.69			
Restricted	1,231,079.04	1,104,157,450.84	122,547,514.84	
Committed	404,552,238.78			10,549,988.51
Assigned	96,511.44			
Unassigned	63,665,590.25			
Total Fund Balances	512,135,297.24	1,104,157,450.84	122,547,514.84	10,549,988.51
TOTAL LIABILITIES AND FUND BALANCES	\$ 534,049,503.32	\$ 1,104,643,352.31	\$ 122,547,514.84	\$ 12,096,811.33

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, 2015

Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Net Position
\$ 246,655.19	\$	\$	\$ 246,655.19
8,406,573.28			8,406,573.28
1,746,280.14			1,746,280.14
92.49			92.49
		3,401,703.13	3,401,703.13
		987,475.11	987,475.11
		65,675,296.38	65,675,296.38
<u>13,547,329.27</u>			<u>13,547,329.27</u>
<u>23,946,930.37</u>		<u>70,064,474.62</u>	<u>94,011,404.99</u>
\$	\$	\$ 709,946.58	\$ 709,946.58
		814,893,066.02	814,893,066.02
		6,388,010.95	6,388,010.95
		<u>821,991,023.55</u>	<u>821,991,023.55</u>
<u>23,946,930.37</u>		<u>892,055,498.17</u>	<u>916,002,428.54</u>
49,583.04			49,583.04
42,540,294.69			42,540,294.69
1,227,936,044.72			1,227,936,044.72
415,102,227.29			415,102,227.29
96,511.44			96,511.44
63,665,590.25			63,665,590.25
<u>1,749,390,251.43</u>			<u>1,749,390,251.43</u>
<u>\$ 1,773,337,181.80</u>			
	29,128.42		29,128.42
		(883,970,065.53)	(883,970,065.53)
		(8,085,432.64)	(8,085,432.64)
	<u>\$ 29,128.42</u>	<u>\$ (892,055,498.17)</u>	<u>\$ 857,363,881.68</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, 2015

	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	\$ 1,453,514,510.00	\$	\$	\$
Additional Legislative Appropriation Revenue	2,728,322.23			
Tax Revenues	35,087,000.00			
Federal Revenues	5,143,238.87	42,382.01	18,966.32	
Federal Grant Pass-Through Revenues	28,654,449.47			
State Grant Pass-Through Revenues	(103.30)			
Licenses, Fees and Permits	2,855,326.20	3,330,082.99		
Interest and Investment Income	823,552.91	56,662,907.02	1,127,013.41	2,226,115.79
Other Revenues	1,354,795.65			
Total Revenues	1,530,161,092.03	60,035,372.02	1,145,979.73	2,226,115.79
EXPENDITURES				
Salaries & Wages	15,349,374.18			
Payroll Related Costs	4,048,993.93			
Professional Fees & Services	3,416,341.67			133.02
Travel	134,093.99	656.85		
Materials & Supplies	802,180.40			
Communication & Utilities	285,607.80			
Repairs & Maintenance	124,927.81			
Rentals & Leases	2,990,745.61			
Printing & Reproduction	19,727.07			
Federal Grant Pass-Through Expenditures	6,435,750.48			
State Grant Pass-Through Expenditures	397,739,301.48	5,000.00		2,892,842.04
Intergovernmental Payments	1,091,362,528.76			4,347,664.38
Public Assistance Payments	19,076,313.21			124,648.00
Other Expenditures	46,652,536.05	12,110,722.73		
Debt Service:				
Principal			54,115,000.00	
Interest			41,952,438.61	
Other Financing Fees		333,949.85		
Capital Outlays	11,995.00			
Depreciation and Amortization Expense				
Total Expenditures	1,588,450,417.44	12,450,329.43	96,067,438.61	7,365,287.44
Excess (Deficiency) Of Revenues Over Expenditures	(58,289,325.41)	47,585,042.59	(94,921,458.88)	(5,139,171.65)

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, 2015

Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Activities
\$ 1,453,514,510.00	\$	\$	\$ 1,453,514,510.00
2,728,322.23			2,728,322.23
35,087,000.00			35,087,000.00
5,204,587.20			5,204,587.20
28,654,449.47			28,654,449.47
(103.30)			(103.30)
6,185,409.19			6,185,409.19
60,839,589.13			60,839,589.13
1,354,795.65			1,354,795.65
<u>1,593,568,559.57</u>			<u>1,593,568,559.57</u>
15,349,374.18		21,795.81	15,371,169.99
4,048,993.93			4,048,993.93
3,416,474.69			3,416,474.69
134,750.84			134,750.84
802,180.40			802,180.40
285,607.80			285,607.80
124,927.81			124,927.81
2,990,745.61			2,990,745.61
19,727.07			19,727.07
6,435,750.48			6,435,750.48
400,637,143.52			400,637,143.52
1,095,710,193.14			1,095,710,193.14
19,200,961.21			19,200,961.21
58,763,258.78		2,621,362.59	61,384,621.37
54,115,000.00		(54,115,000.00)	
41,952,438.61		88,237.50	42,040,676.11
333,949.85			333,949.85
11,995.00	(11,995.00)		
	<u>10,333.58</u>	<u>(9,140,124.02)</u>	<u>(9,129,790.44)</u>
<u>1,704,333,472.92</u>	<u>(1,661.42)</u>	<u>(60,523,728.12)</u>	<u>1,643,808,083.38</u>
<u>(110,764,913.35)</u>	<u>1,661.42</u>	<u>60,523,728.12</u>	<u>(50,239,523.81)</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, 2015

	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	\$	\$ 68,130,000.00	\$	\$
Premium on Sale of Bonds		13,014,804.25		
Appropriations Lapsed	(854,275.58)			
Transfers In (Note 12)	81,332,014.06	14,907,010.65	119,402,434.21	3,144,582.48
Transfers Out (Note 12)	(40,384,989.82)	(130,129,424.55)	(13,635,678.00)	
Legislative Transfers Out (Note 12)	(9,983,290.00)			
Total Other Financing Sources (Uses)	<u>30,109,458.66</u>	<u>(34,077,609.65)</u>	<u>105,766,756.21</u>	<u>3,144,582.48</u>
Net Change in Fund Balances\Net Position	(28,179,866.75)	13,507,432.94	10,845,297.33	(1,994,589.17)
Fund Financial Statement-Fund Balances				
Fund Balances-September 1, 2014	<u>540,315,163.99</u>	<u>1,090,650,017.90</u>	<u>111,702,217.51</u>	<u>12,544,577.68</u>
FUND BALANCES - August 31, 2015	<u>\$ 512,135,297.24</u>	<u>\$ 1,104,157,450.84</u>	<u>\$ 122,547,514.84</u>	<u>\$ 10,549,988.51</u>
Government-Wide Statement of Net Position				
Net Position/Net Change in Net Position				
Net Position, September 1, 2014				
NET POSITION, August 31, 2015				

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, 2015

Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Activities
\$ 68,130,000.00	\$	\$ (68,130,000.00)	\$
13,014,804.25		(13,014,804.25)	
(854,275.58)			(854,275.58)
218,786,041.40			218,786,041.40
(184,150,092.37)			(184,150,092.37)
(9,983,290.00)			(9,983,290.00)
<u>104,943,187.70</u>		<u>(81,144,804.25)</u>	<u>23,798,383.45</u>
(5,821,725.65)	1,661.42	(20,621,076.13)	(26,441,140.36)
<u>1,755,211,977.08</u>			<u>1,755,211,977.08</u>
<u>\$ 1,749,390,251.43</u>	<u>\$ 1,661.42</u>	<u>\$ (20,621,076.13)</u>	<u>\$ 1,728,770,836.72</u>
<u>1,749,390,251.43</u>	<u>1,661.42</u>	<u>(20,621,076.13)</u>	<u>1,728,770,836.72</u>
	<u>27,467.00</u>	<u>(871,434,422.04)</u>	<u>(871,406,955.04)</u>
<u>\$ 1,749,390,251.43</u>	<u>\$ 29,128.42</u>	<u>\$ (892,055,498.17)</u>	<u>\$ 857,363,881.68</u>

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT VI
 COMBINED STATEMENT OF FIDUCIARY NET POSITION
 For the Year Ended August 31, 2015

	Perm Endowment Fund - Baylor College of Medicine Fund (0823) U/F (0823)	Child Support Deds-Suspense Account Fund (0807) U/F (8070)	TOTALS
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Current Assets:			
Cash:			
In State Treasury	\$ 373,247.59	\$ 1,340.00	\$ 374,587.59
Total Current Assets	<u>373,247.59</u>	<u>1,340.00</u>	<u>374,587.59</u>
TOTAL ASSETS	<u>373,247.59</u>	<u>1,340.00</u>	<u>374,587.59</u>
LIABILITIES			
Current Liabilities:			
Payables from			
Accounts - Grants and Loans	373,247.59		373,247.59
Funds Held for Others		1,340.00	1,340.00
Total Current Liabilities	<u>373,247.59</u>	<u>1,340.00</u>	<u>374,587.59</u>
TOTAL LIABILITIES	<u>373,247.59</u>	<u>1,340.00</u>	<u>374,587.59</u>
NET POSITION			
Held in trust for			
Individuals, Organizations, and Other Government	<u> </u>	<u> </u>	<u> </u>
TOTAL NET POSITION	<u>\$</u>	<u>\$</u>	<u>\$</u>

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

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT VII

COMBINED STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Year Ended August 31, 2015

	<u>Perm Endowment Fund - Baylor College of Medicine Fund (0823) U/F (0823)</u>
ADDITIONS	
Investment Income:	
From Investing Activities:	
Interest and Investment Income	\$ 195.41
Total Investing Income	<u>195.41</u>
Net Income from Investing Activities	<u>195.41</u>
Other Additions:	
Transfers In (Note 12)	<u>1,488,102.33</u>
Total Other Additions	<u>1,488,102.33</u>
Total Additions	<u>1,488,297.74</u>
DEDUCTIONS	
Intergovernmental Payments	<u>1,488,297.74</u>
Total Deductions	<u>1,488,297.74</u>
NET INCREASE (DECREASE)	
Net Position-September 1, 2014	<u> </u>
NET POSITION-August 31, 2015	<u>\$ </u>

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ENTITY

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

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

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

B. FUND STRUCTURE

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

Governmental Fund Types & Government-wide Adjustment Fund Types

General Fund

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

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, and Student Loan Revenue Bonds.

Debt Service Funds

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

Permanent funds

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

Fiduciary Fund Types

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

Agency Funds

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

Private-Purpose Trust Funds

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

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

Capital Asset Adjustment Fund Type

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

Long-Term Liabilities Adjustment Fund Type

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

C. BASIS OF ACCOUNTING

The basis of accounting determines when revenues and expenditures or expenses are recognized in the accounts reported in the financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

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

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

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

D. BUDGETS AND BUDGETARY ACCOUNTING

The budget is prepared biennially and represents appropriations authorized by the Legislature and approved by the Governor (the General Appropriations Act).

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

E. ASSETS, LIABILITIES, AND FUND BALANCES/NET POSITION

ASSETS

Cash and Cash Equivalents

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

Interest Receivable

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

Student Loan Notes Receivable

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

Allowance for Doubtful Accounts

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

Capital Assets

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

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

Restricted Assets

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

LIABILITIES

Accounts Payable

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

Employees' Compensable Leave Balances

Employees' compensable leave balances represent the liability that becomes "due" upon the occurrence of relevant events such as resignations, retirements, and uses of leave balances by covered employees. Liabilities are reported separately as either current or non-current in the Combined Balance Sheet/Statement of Net Position - Governmental Funds.

Capital Lease Obligations

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

Unearned Revenues

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

Bonds Payable

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

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

Arbitrage Rebate Liability

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

FUND BALANCE/NET POSITION

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

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NOTES TO THE FINANCIAL STATEMENTS

Fund Balance Components:

Nonspendable

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

Restricted

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

Committed

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

Assigned

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

Unassigned

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

Invested In Capital Assets, Net Of Related Debt

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bond, notes and other debt that are attributed to the acquisition, construction or improvement of those assets.

Restricted Net Position

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

Unrestricted Net Position

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

GASB 54 Note Disclosures:

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

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

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

D. There are no stabilization arrangements with THECB.

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

Implementation of GASB 68 & 71:

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, was issued June 2012 and is effective for fiscal years beginning after June 15, 2014. This statement amends GASB Statement No. 27 and GASB Statement No. 50, as they relate to governmental employers that provide pensions through trusts. This statement establishes procedures for measuring and recognizing the obligations associated with pensions as well as identifies methods for attributing the associated costs to the appropriate period as they are earned over an employee's career. Also included in this statement are amendments to note and required supplementary information requirements as well as details to address special funding situations.

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In 2013, GASB issued Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68. The statement addresses contributions made by a state or local government employer after the measurement date of the government's beginning net pension liability. Contributions made between the measurement date of the beginning net pension liability and the end of the government's fiscal year end are to be recognized as deferred outflow of resources.

In FY 2015, the Comptroller's office implemented GASB Statement No. 68 & 71 at the state-wide Consolidated Annual Financial Report (CAFR) level only. No adjustments or reporting is required at an individual agency level and thus, the THECB has no changes to the agency's financial statements as they relate to the new pronouncements.

F. INTERFUND ACTIVITIES AND BALANCES

The THECB has the following types of transactions between funds:

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

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

GASB 54 Fund Balance classification by Purpose (as of August 31, 2015)

	Consolidated Funds				
	0001	0802	5103	5111	5144
	General Fund	License Plate Trust Fund	B-On-Time	Trauma Facility and EMS	Physician Ed Loan Repay
Nonspendable - Prepays					
Hinson-Hazlewood Loan Program	\$ 49,583.04				
Nonspendable - LT Contract and Receivables					
Armed Services Scholarships	3,930,439.01				
Student Financial Aid Programs	37,299,507.80				
Teach for Texas Programs	1,310,347.88				
Restricted:					
Close The Gaps	69,747.57				
Debt Service					
Federal Programs	210,314.16				
Physician - LRP	951,017.31				
Student Loans					
Committed:					
Baylor CM Permanent Health Fun					
Close The Gaps	190,916.17				
ETEP Graduate Medical Education				2,015.63	
License Plate Scholarships		132,213.70			
Minority Health Research/Ed					
Nursing & Allied Health					
Physician - LRP					142,206,125.79
Promote Participation & Success	322,534.22				
Student Financial Aid Programs			261,698,433.27		
Assigned:					
Common Application	0.16				
Conferences	96,411.28				
Petty Cash	100.00				
Unassigned:					
ABE Community College Grants	2,766,844.94				
Advanced Research Program	101,536.47				
Advise Texas	300.00				
Armed Services Scholarships	506,938.39				
Central Administration	(22,481.15)				
Close The Gaps	104,368.94			65,928.94	
College Readiness Initiatives	115,028.40				
Developmental Ed Program	466,165.70				
Doctoral Incentive Program	1,014,450.34				
Engineering Recruitment Prog	28,552.43				
Family Practice Residency	9,707.96				
Hinson-Hazlewood Loan Program	50,480.08				
Info Research Tech-Indirect	(24,529.26)				
OAG Attorney - LRP	535,705.80				
Operating & Support	178,242.73				
Prof Nursing Shortage Reduction	2,963,571.45				
Student Financial Aid Programs	8,162,441.67				
Teach for Texas Programs	2,784,189.20				
Top 10% Scholarships	2,871,387.73				
T-STEM Scholarship	9,184,937.47				
Baylor College of Medicine	27,456,925.27				
Graduate Medical Education	2,710,000.00				
Career/Tech Edu Prog-Grant	1,115,321.00				
Dental Education - LRP	127,519.34				
Border Co PHD Faculty Ed LRP	62,842.35				
Primary Care Innovation Progra	305,737.00				
Unappropriated	23,477.06				
Grand Total	108,030,579.91	132,213.70	261,698,433.27	67,944.57	142,206,125.79

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

GASB 54 Fund Balance classification by Purpose (as of August 31, 2015)

Special Revenue Funds			Permanent Funds			Debt Service Funds	
0387	0601	1697	0810	0824	0825	0388	
Texas Opportunity Fund	Student Loan Auxiliary Fund	Revenue Bond Student Loan Fund	Baylor COM Perm Health Fund	Nursing Allied Health	Minority Health Research/Edu		Total
						\$	49,583.04
							3,930,439.01
							37,299,507.80
							1,310,347.88
							69,747.57
						122,547,514.84	122,547,514.84
							210,314.16
							951,017.31
161,283,851.22	941,516,906.19	1,356,693.43					1,104,157,450.84
			1.52				1.52
							190,916.17
							2,015.63
							132,213.70
					4,926,942.97		4,926,942.97
				5,623,044.02			5,623,044.02
							142,206,125.79
							322,534.22
							261,698,433.27
							0.16
							96,411.28
							100.00
							2,766,844.94
							101,536.47
							300.00
							506,938.39
							(22,481.15)
							170,297.88
							115,028.40
							466,165.70
							1,014,450.34
							28,552.43
							9,707.96
							50,480.00
							(24,529.26)
							535,705.80
							178,242.73
							2,963,571.45
							8,162,441.67
							2,784,189.20
							2,871,387.73
							9,184,937.47
							27,456,925.27
							2,710,000.00
							1,115,321.00
							127,519.34
							62,842.35
							305,737.00
							23,477.06
161,283,851.22	941,516,906.19	1,356,693.43	1.52	5,623,044.02	4,926,942.97	122,547,514.84	1,749,390,251.43

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

NOTE 2: CAPITAL ASSETS

A summary of changes in Capital Assets for the year ended August 31, 2015, is presented below:

	PRIMARY GOVERNMENT			
	Balance 9/1/2014	Additions	Deletions	Balance 8/31/2015
GOVERNMENTAL ACTIVITIES				
Depreciable Assets				
Furniture and Equipment	\$810,966.52	11,995.00	-	822,961.52
Total Depreciable Assets	810,966.52	11,995.00	-	822,961.52
Less Accumulated Depreciation for:				
Furniture and Equipment	(783,499.52)	(10,333.58)	-	(793,833.10)
Total Accumulated Depreciation	(783,499.52)	(10,333.58)	-	(793,833.10)
Depreciable Assets, Net	27,467.00	1,661.42	-	29,128.42
Governmental Activities Capital Assets, Net	\$ 27,467.00	\$ 1,661.42	\$ -	\$ 29,128.42

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, 2015, the following changes occurred in liabilities:

Governmental Activities	Balance 09/01/2014	Additions	Reductions	Other Changes	Balance 08/31/2015	Amounts Due Within One Year
General Obligation Bonds Payable	\$862,678,682.17	\$68,130,000.00	(\$54,115,000.00)	\$3,874,680.23	\$880,568,362.40	\$65,675,296.38
Compensable Leave	1,675,625.88	1,367,879.37	(1,346,083.56)		1,697,421.69	987,475.11
Arbitrage Rebate Liability	3,766,648.36	2,621,362.59			6,388,010.95	
Total Governmental Activities	\$868,120,956.41	\$72,119,241.96	(\$55,461,083.56)	\$3,874,680.23	\$888,653,795.04	\$66,662,771.49

EMPLOYEES' COMPENSABLE LEAVE

A state employee is entitled to be paid for all unused vacation time accrued, in the event of the employee's resignation, dismissal, or separation from State employment, provided the employee has had continuous employment with the State for six months. Expenditures for accumulated annual leave balances are recognized in the period paid or taken in governmental fund types. For these fund types, the liability for unpaid benefits is recorded in the Statement of Net Position. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. This obligation is usually paid from the same funding source(s) from which the employee's salary or wage compensation was paid.

GENERAL OBLIGATION BONDS PAYABLE & ARBITRAGE REBATE LIABILITY

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

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

NOTE 6: BONDED INDEBTEDNESS

A. BONDS PAYABLE

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

The THECB issues bonds for educational loans to eligible Texas college students. Payments received on the loan contracts are applied to the debt service on the bonds. As of August 31, 2015, bonds payable consisted of fifteen general obligation issues for student loans totaling \$826,965,000. Bond issue dates for all College Student Bonds range from June 28, 2007 to December 18, 2014.

The Texas Constitution limits the amount of bonds that can be issued by the THECB. As of August 31, 2015 the authorized but unissued bonds totaled \$1,033,035,000.00 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 2015, the THECB sold \$68,130,000.00 State of Texas College Student Loan Bonds, Series 2014. They were issued as General Obligation Bonds, with a delivery date of December 18, 2014. The proceeds of the issue included a Net Original Issue Premium of \$13,014,804.25. Costs of Issuance totaled \$297,549.85, and were paid out of funds on hand. The proceeds from the Series 2014 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 2015.

NOTE 7: DERIVATIVE INSTRUMENTS

Not Applicable.

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	1,430,300.64

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
2016	1,410,394.36
2017	1,410,394.36
2018	1,410,394.36
2019	1,410,394.36
2020	1,410,394.36
Total minimum future lease rental payments	\$7,051,971.82

NOTE 9: PENSION PLANS

Not Applicable.

NOTE 10: DEFERRED COMPENSATION

Not Applicable.

NOTE 11: POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

Not Applicable.

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

NOTE 12: INTERFUND BALANCES/ACTIVITIES

As explained in Note 1 on Interfund Activities and Balances there are numerous transactions between funds and agencies. At year-end amounts to be received or paid are reported as Interfund Receivable or Interfund Payable, Due From/Due To Other Agencies or Funds, Transfers In or Transfers Out or Legislative Transfers In or Legislative Transfers Out. Individual balances and activity at August 31, 2015, 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:	\$ 4,094,219.72	\$ 12,543,701.75
Fund 0802:	149,101.37	
Fund 5111:	66,444.57	
Fund 5140:	1,624.29	
SPECIAL REVENUE FUND:		
Fund 0810:	543,195.30	
Fund 0824:		379,396.95
Fund 0825:		624,230.57
Total Due From/Due To Other Agencies (Exh I)	\$ 4,854,585.25	\$ 13,547,329.27

<u>Operating Transfers:</u>	<u>Transfers In</u>	<u>Transfers Out</u>
GOVERNMENTAL FUNDS:		
GENERAL FUND:		
Fund 0001:	\$ 12,146,378.88	\$ 40,368,989.82
Fund 0542:		16,000.00
Fund 5016:		
Fund 5034:		
Fund 5052:		
Fund 5103:	66,634,392.75	
Fund 5111:	2,182,500.00	
Fund 5119:		
Fund 5126:		
Fund 5140:		
Fund 5144:	368,742.43	
SPECIAL REVENUE FUND:		
Fund 0387:	12,270,194.65	30,898,891.52
Fund 0601:	2,636,816.00	98,749,915.93
Fund 0697:		480,617.10
DEBT SERVICE FUND:		
Fund 0388:	119,402,434.21	13,635,678.00
PERMANENT FUND:		
Fund 0824:	2,020,831.52	
Fund 0825:	1,123,750.96	
Total Operating Transfers In/Out (Exh II)	\$ 218,786,041.40	\$ 184,150,092.37

FIDUCIARY FUNDS:

PRIVATE PURPOSE TRUST FUND

Fund 0823:	1,488,102.33	
Total Transfers In/Out (Exh VII)	\$ 1,488,102.33	\$

Legislative Transfers

GENERAL FUND:

Fund 0001:		9,983,290.00
Total Legislative Transfers In/Out (Exh II)	\$	9,983,290.00

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

Not Applicable.

NOTE 15: CONTINGENT LIABILITIES

Unpaid Claims and Lawsuits:

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

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

Federal and State Financial Assistance Programs:

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

Arbitrage:

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

It is estimated that \$6,388,010.95 in excess earnings may become due to the federal government at some point in the future. This estimate, however, does not take into account predictions of the next year's activity. Therefore, at the time payment is due to the United States government, it is probable that this figure will have changed and cannot be reasonably determined at this time what amount, if any, may be due.

NOTE 16: SUBSEQUENT EVENTS

The agency expects to close on a \$150 million par value, 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 2015", and will have an anticipated closing date of December 14th, 2015.

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 2015, 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 2015 was \$26,315.81. 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 2015 were \$22,236.93.

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

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 2015, THECB reported 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	3,766,648.36	2,621,362.59	-	6,388,010.95

NOTE 18: MANAGEMENT DISCUSSION AND ANALYSIS

The THECB issued one bond series in FY 2015 for a total par value of \$68,130,000. For details related to this bond series, please refer to Note 6 – Bonded Indebtedness within the Notes to the Financial Statements.

NOTE 19: THE FINANCIAL REPORTING ENTITY

Not Applicable.

NOTE 20: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Not Applicable.

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.

UNAUDITED

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

NOTE 29: TROUBLED DEBT RESTRUCTURING

Not Applicable.

NOTE 30: NON-EXCHANGE FINANCIAL GUARANTEES

Not Applicable.

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UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT A-1
 COMBINING BALANCE SHEET
 ALL GENERAL AND CONSOLIDATED FUNDS
 For the Year Ended August 31, 2015

	General (0001) (Note A)	Consolidated Funds	
		License Plate Trust Fund (0802) U/F (0802)	Physicians Loan Repay (0542) U/F (0542)
ASSETS			
Current Assets:			
Cash:			
Shared Funds	\$	\$	\$
On Hand	100.00		
In State Treasury			
Legislative Appropriations	71,988,538.61		
Receivable From:			
Accounts Receivable	898,759.92		
Federal	5,924,023.66		
Interest and Dividends (net of Allowance for Doubtful Accounts of \$142,466.26)	32,102.43	49.52	
Due From Other Agencies (Note 12)	4,094,219.72	149,101.37	
Prepaid Items	49,583.04		
Loans & Contracts (net of Allowance for Doubtful Accounts of \$3,203,301.65)	4,355,692.44		
Restricted			
Loans & Contracts (net of Allowance for Doubtful Accounts of \$6,246,580.63)			
Total Current Assets	87,343,019.82	149,150.89	
Non-Current Assets:			
Receivable From:			
Interest and Dividends (net of Allowance for Doubtful Accounts of \$605,280.44)	311,237.65		
Loans & Contracts (net of Allowance for Doubtful Accounts of \$31,056,464.53)	42,229,057.04		
Restricted:			
Receivable From:			
Interest and Dividends (net of Allowance for Doubtful Accounts of \$775,950.24)			
Loans & Contracts (net of Allowance for Doubtful Accounts of \$60,561,486.59)			
Total Non-Current Assets	42,540,294.69		
TOTAL ASSETS	\$ 129,883,314.51	\$ 149,150.89	\$

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT A-1
 COMBINING BALANCE SHEET
 ALL GENERAL AND CONSOLIDATED FUNDS
 For the Year Ended August 31, 2015

Consolidated Funds				
Texas B-On-Time (5103) U/F (5103)	Trauma Facility And EMS (5111) U/F (5111)	College for TX License Plates (5140) U/F (5140)	Physician Ed LRP (5144) U/F (5144)	TOTALS (Exhibit I)
\$ 750,345.45	\$	\$	\$	\$ 750,345.45
170,158,131.18			142,249,013.79	312,407,144.97
36,218.96	1,500.00	22.00		936,500.88
6.30				5,924,023.66
	66,444.57	1,624.29		32,158.25
8,485,503.96				4,311,389.95
				49,583.04
				4,355,692.44
179,430,205.85	67,944.57	1,646.29	142,249,013.79	8,485,503.96
				311,237.65
				42,229,057.04
61.10				61.10
82,268,166.32				82,268,166.32
82,268,227.42				124,808,522.11
\$ 261,698,433.27	\$ 67,944.57	\$ 1,646.29	\$ 142,249,013.79	\$ 534,049,503.32

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TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT A-1
 COMBINING BALANCE SHEET
 ALL GENERAL AND CONSOLIDATED FUNDS
 For the Year Ended August 31, 2015

	General (0001) (Note A)	Consolidated Funds	
		License Plate Trust Fund (0802) U/F (0802)	Physicians Loan Repay (0542) U/F (0542)
LIABILITIES AND FUND BALANCES			
Current Liabilities:			
Payables from:			
Accounts - Vendors	\$ 246,655.19	\$	\$
Accounts - Grants and Loans	7,316,097.52	16,937.19	
Payroll	1,746,280.14		
Due To Other Agencies (Note 12)	12,543,701.75		
Total Liabilities	21,852,734.60	16,937.19	
FUND FINANCIAL STATEMENT-FUND BALANCES			
Fund Balances (Deficits):			
Nonspendable-Prepaid Items	49,583.04		
Nonspendable-LT Contract and Receivables	42,540,294.69		
Restricted	1,231,079.04		
Committed	513,450.39	132,213.70	
Assigned	96,511.44		
Unassigned	63,599,661.31		
Total Fund Balances	108,030,579.91	132,213.70	
TOTAL LIABILITIES AND FUND BALANCES	\$ 129,883,314.51	\$ 149,150.89	\$

Note A: Includes USAS fund numbers 0001 and 0002.

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

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT A-1
 COMBINING BALANCE SHEET
 ALL GENERAL AND CONSOLIDATED FUNDS
 For the Year Ended August 31, 2015

Consolidated Funds				
Texas B-On-Time (5103) U/F (5103)	Trauma Facility And EMS (5111) U/F (5111)	College for TX License Plates (5140) U/F (5140)	Physician Ed LRP (5144) U/F (5144)	TOTALS (Exhibit I)
\$	\$	\$	\$	\$
		1,646.29	42,888.00	246,655.19
				7,377,569.00
				1,746,280.14
				12,543,701.75
		1,646.29	42,888.00	21,914,206.08
				49,583.04
				42,540,294.69
				1,231,079.04
261,698,433.27	2,015.63		142,206,125.79	404,552,238.78
	65,928.94			96,511.44
				63,665,590.25
261,698,433.27	67,944.57		142,206,125.79	512,135,297.24
\$ 261,698,433.27	\$ 67,944.57	\$ 1,646.29	\$ 142,249,013.79	\$ 534,049,503.32

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, 2015

	General (0001) (Note A)	Consolidated Funds	
		License Plate Trust Fund (0802) U/F (0802)	Physicians Loan Repay (0542) U/F (0542)
REVENUES			
Legislative Appropriations:			
Original Legislative Appropriation Revenue	\$ 1,453,514,510.00	\$	\$
Additional Legislative Appropriation Revenue	2,728,322.23		
Tax Revenues			
Federal Revenues	5,143,238.87		
Federal Grant Pass-Through Revenues	28,654,449.47		
State Grant Pass-Through Revenues	(103.30)		
Licenses, Fees and Permits	818,375.91	157,063.51	
Interest and Investment Income	462,819.49	497.90	
Other Revenues	1,354,795.65		
Total Revenues	1,492,676,408.32	157,561.41	
EXPENDITURES			
Salaries & Wages	15,349,355.65		
Payroll Related Costs	4,047,134.17		
Professional Fees & Services	3,416,341.67		
Travel	134,093.99		
Materials & Supplies	801,432.34		
Communication & Utilities	275,085.44		
Repairs & Maintenance	124,927.81		
Rentals & Leases	1,800,444.97		
Printing & Reproduction	19,727.07		
Federal Grant Pass-Through Expenditures	6,435,750.48		
State Grant Pass-Through Expenditures	396,669,352.62		
Intergovernmental Payments	1,090,968,532.09	67,744.17	
Public Assistance Payments	9,713,733.23	28,361.49	
Other Expenditures	14,333,840.37		
Capital Outlays	11,995.00		
Total Expenditures	1,544,101,746.90	96,105.66	
Excess (Deficiency) Of Revenues Over Expenditures	(51,425,338.58)	61,455.75	

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, 2015

Consolidated Funds					
Texas B-On-Time (5103) U/F (5103)	Trauma Facility And EMS (5111) U/F (5111)	College for TX License Plates (5140) U/F (5140)	Physician Ed LRP (5144) U/F (5144)		TOTALS (Exhibit II)
\$	\$	\$	\$	\$	1,453,514,510.00
					2,728,322.23
			35,087,000.00		35,087,000.00
					5,143,238.87
					28,654,449.47
					(103.30)
1,868,170.16		11,716.62			2,855,326.20
360,235.52					823,552.91
					1,354,795.65
<u>2,228,405.68</u>		<u>11,716.62</u>	<u>35,087,000.00</u>		<u>1,530,161,092.03</u>
18.53					15,349,374.18
1,859.76					4,048,993.93
					3,416,341.67
					134,093.99
	748.06				802,180.40
9,699.36	823.00				285,607.80
					124,927.81
1,190,300.64					2,990,745.61
					19,727.07
					6,435,750.48
	1,069,948.86				397,739,301.48
	326,252.50				1,091,362,528.76
	784,283.50	12,746.93	8,537,188.06		19,076,313.21
32,318,695.68					46,652,536.05
					11,995.00
<u>33,520,573.97</u>	<u>2,182,055.92</u>	<u>12,746.93</u>	<u>8,537,188.06</u>		<u>1,588,450,417.44</u>
<u>(31,292,168.29)</u>	<u>(2,182,055.92)</u>	<u>(1,030.31)</u>	<u>26,549,811.94</u>		<u>(58,289,325.41)</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, 2015

	General (0001) (Note A)	Consolidated Funds	
		License Plate Trust Fund (0802) U/F (0802)	Physicians Loan Repay (0542) U/F (0542)
OTHER FINANCING SOURCES (USES)			
Appropriations Lapsed	\$ (854,275.58)	\$	\$
Transfers In (Note 12)	12,146,378.88		
Transfers Out (Note 12)	(40,368,989.82)		(16,000.00)
Legislative Transfers Out (Note 12)	(9,983,290.00)		
Total Other Financing Sources (Uses)	(39,060,176.52)		(16,000.00)
Net Change in Fund Balances\Net Assets	(90,485,515.10)	61,455.75	(16,000.00)
Fund Financial Statement-Fund Balances			
Fund Balances-September 1, 2014	198,516,095.01	70,757.95	16,000.00
FUND BALANCES - August 31, 2015	\$ 108,030,579.91	\$ 132,213.70	\$

Note A: Includes USAS fund numbers 0001 and 0002.

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

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT A-2
 COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES
 IN FUND BALANCES-ALL GENERAL AND CONSOLIDATED FUNDS
 For the Year Ended August 31, 2015

Consolidated Funds					
Texas B-On-Time (5103) U/F (5103)	Trauma Facility And EMS (5111) U/F (5111)	College for TX License Plates (5140) U/F (5140)	Physician Ed LRP (5144) U/F (5144)		TOTALS (Exhibit II)
\$ 66,634,392.75	\$ 2,182,500.00	\$	\$ 368,742.43	\$	(854,275.58)
					81,332,014.06
					(40,384,989.82)
					(9,983,290.00)
66,634,392.75	2,182,500.00		368,742.43		30,109,458.66
35,342,224.46	444.08	(1,030.31)	26,918,554.37		(28,179,866.75)
226,356,208.81	67,500.49	1,030.31	115,287,571.42		540,315,163.99
\$ 261,698,433.27	\$ 67,944.57	\$ (0.00)	\$ 142,206,125.79	\$	512,135,297.24

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT B-1
COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS
For the Year Ended August 31, 2015

	Texas Opportunity Plan Fund (0387) (Note A)	Student Loan Auxiliary Fund (0601) (Note B)	Revenue Bond Student Loan Fund (0697) U/F (1697)	TOTALS (Exhibit I)
ASSETS				
Current Assets:				
Cash:				
Shared Funds	\$ 356,456.73	\$	\$	\$ 356,456.73
In State Treasury	53,919,697.82	49,124,505.08	87,908.91	103,132,111.81
Receivables from:				
Accounts Receivable		2,680.00		2,680.00
Interest and Dividends	1,187,496.45	8,024,317.22	12,521.70	9,224,335.37
(Less Allowance for Doubtful Accounts of (\$4,630,197.80))				
Due From Other Agencies (Note 12)				
Restricted:				
Loans and Contracts	8,863,206.07	75,414,482.20	106,110.15	84,383,798.42
(Less Allowance for Doubtful Accounts of (\$12,766,171.81))				
Total Current Assets	64,326,857.07	132,565,984.50	206,540.76	197,099,382.33
Non-Current Assets:				
Restricted:				
Receivable from:				
Interest and Dividends	11,512,761.31	77,796,895.58	121,399.68	89,431,056.57
(Less Allowance for Doubtful Accounts of (\$44,890,425.36))				
Loans and Contracts	85,930,041.82	731,154,118.60	1,028,752.99	818,112,913.41
(Less Allowance for Doubtful Accounts of (\$123,769,849.24))				
Total Non-Current Assets	97,442,803.13	808,951,014.18	1,150,152.67	907,543,969.98
TOTAL ASSETS	\$ 161,769,660.20	\$ 941,516,998.68	\$ 1,356,693.43	\$ 1,104,643,352.31
LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Payables from:				
Accounts - Vendors	\$	\$	\$	\$ -
Accounts - Grants and Loans	485,808.98			485,808.98
Accounts - Federal		92.49		92.49
Total Liabilities	485,808.98	92.49		485,901.47
FUND FINANCIAL STATEMENT-FUND BALANCES				
FUND BALANCES (DEFICITS):				
Restricted	161,283,851.22	941,516,906.19	1,356,693.43	1,104,157,450.84
Total Fund Balances	161,283,851.22	941,516,906.19	1,356,693.43	1,104,157,450.84
TOTAL LIABILITIES AND FUND BALANCES	\$ 161,769,660.20	\$ 941,516,998.68	\$ 1,356,693.43	\$ 1,104,643,352.31

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, 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, 2015

	Texas Opportunity Plan Fund (0387) (Note A)	Student Loan Auxiliary Fund (0601) (Note B)	Revenue Bond Student Loan Fund (0697) U/F (1697)	TOTALS (Exhibit II)
REVENUES				
Federal Revenues	\$ 7,138.29	\$ 35,003.81	\$ 239.91	\$ 42,382.01
Licenses, Fees & Permits	428,836.60	2,886,900.08	14,346.31	3,330,082.99
Interest and Investment Income	9,677,012.86	46,764,805.99	221,088.17	56,662,907.02
Total Revenues	10,112,987.75	49,686,709.88	235,674.39	60,035,372.02
EXPENDITURES				
Professional Fees & Services				
Travel	656.85			656.85
State Grant Pass-Through Expenditures	5,000.00			5,000.00
Other Expenditures	4,061,430.48	7,968,806.34	80,485.91	12,110,722.73
Other Financing Fees	214,327.20	119,622.65		333,949.85
Total Expenditures	4,281,414.53	8,088,428.99	80,485.91	12,450,329.43
Excess (Deficiency) of Revenues Over Expenditures	5,831,573.22	41,598,280.89	155,188.48	47,585,042.59
OTHER FINANCING SOURCES (USES)				
Bond and Note Proceeds		68,130,000.00		68,130,000.00
Premium on Sale of Bonds		13,014,804.25		13,014,804.25
Transfers In (Note 12)	12,270,194.65	2,636,816.00		14,907,010.65
Transfers Out (Note 12)	(30,898,891.52)	(98,749,915.93)	(480,617.10)	(130,129,424.55)
Total Other Financing Sources (Uses)	(18,628,696.87)	(14,968,295.68)	(480,617.10)	(34,077,609.65)
Net Change in Fund Balances\Net Assets	(12,797,123.65)	26,629,985.21	(325,428.62)	13,507,432.94
Fund Financial Statement-Fund Balances				
Fund Balances-September 1, 2014	174,080,974.87	914,886,920.98	1,682,122.05	1,090,650,017.90
FUND BALANCES - August 31, 2015	\$ 161,283,851.22	\$ 941,516,906.19	\$ 1,356,693.43	\$ 1,104,157,450.84

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, 6601, & 7601.

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

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT C-1

COMBINING BALANCE SHEET - DEBT SERVICE FUNDS

For the Year Ended August 31, 2015

	<u>GO Bond Fund (0388) (Note A)</u>
ASSETS	
Current Assets:	
Cash:	
In State Treasury	\$ 122,029,011.01
Receivables from:	
Accounts Receivable	434,718.32
Interest and Dividends	<u>83,785.51</u>
Total Current Assets	<u>122,547,514.84</u>
TOTAL ASSETS	<u>\$ 122,547,514.84</u>
LIABILITIES AND FUND BALANCES	
Liabilities	
Current Liabilities:	
Payables from:	
Accounts - Grants and Loans	<u>\$ _____</u>
Total Liabilities	<u>_____</u>
FUND FINANCIAL STATEMENT-FUND BALANCES	
FUND BALANCES (DEFICITS):	
Restricted	<u>122,547,514.84</u>
Total Fund Balances	<u>122,547,514.84</u>
Total Liabilities and Fund Balances	<u>\$ 122,547,514.84</u>

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

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

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT C-2

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

For the Year Ended August 31, 2015

	GO Bond Fund (0388) (Note A)
REVENUES	
Federal Revenues	18,966.32
Interest and Investment Income	\$ 1,127,013.41
Total Revenues	<u>1,145,979.73</u>
EXPENDITURES	
Debt Service:	
Principal	54,115,000.00
Interest	<u>41,952,438.61</u>
Total Expenditures	<u>96,067,438.61</u>
Excess (Deficiency) Of Revenues Over Expenditures	<u>(94,921,458.88)</u>
OTHER FINANCING SOURCES (USES)	
Transfers In (Note 12)	119,402,434.21
Transfers Out (Note 12)	<u>(13,635,678.00)</u>
Total Other Financing Sources (Uses)	<u>105,766,756.21</u>
Net Change in Fund Balances\Net Assets	10,845,297.33
FUND BALANCES (DEFICITS):	
Fund Balances-September 1, 2014	<u>111,702,217.51</u>
FUND BALANCES - August 31, 2015	<u>\$ 122,547,514.84</u>

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

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

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT E-1
 COMBINING BALANCE SHEET - PERMANENT FUNDS
 For the Year Ended August 31, 2015

	Baylor COM Perm Health Fund Fund (0810) U/F (0810)	Perm Fd Hi Ed Nursing/Allied/ Other Health Fund (0824) U/F (0824)	Perm Fd Minority Health Research/ Education Fund (0825) U/F (0825)	TOTALS (Exhibit I)
ASSETS				
Current Assets:				
Cash:				
In State Treasury	\$	\$ 6,000,116.45	\$ 5,549,243.14	\$ 11,549,359.59
Receivable From:				
Interest & Dividends	1.52	2,324.52	1,930.40	4,256.44
Due From Other Agencies (Note 12)	543,195.30			543,195.30
Total Current Assets	543,196.82	6,002,440.97	5,551,173.54	12,096,811.33
Total Assets	\$ 543,196.82	\$ 6,002,440.97	\$ 5,551,173.54	\$ 12,096,811.33
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Current Liabilities:				
Payables from:				
Accounts - Grants and Loans	\$ 543,195.30	\$	\$	\$ 543,195.30
Due To Other Agencies (Note 12)		379,396.95	624,230.57	1,003,627.52
Total Current Liabilities	543,195.30	379,396.95	624,230.57	1,546,822.82
Total Liabilities	543,195.30	379,396.95	624,230.57	1,546,822.82
FUND FINANCIAL STATEMENT-FUND BALANCES				
FUND BALANCES (DEFICITS):				
Committed	1.52	5,623,044.02	4,926,942.97	10,549,988.51
Total Fund Balances	1.52	5,623,044.02	4,926,942.97	10,549,988.51
TOTAL LIABILITIES AND FUND BALANCES	\$ 543,196.82	\$ 6,002,440.97	\$ 5,551,173.54	\$ 12,096,811.33

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, 2015

	Baylor COM Perm Health Fund Fund (0810) U/F (0810)	Perm Fd Hi Ed Nursing/Allied/ Other Health Fund (0824) U/F (0824)	Perm Fd Minority Health Research/ Education Fund (0825) U/F (0825)	TOTALS (Exhibit II)
REVENUES				
Interest and Investment Income	\$ 2,172,868.72	\$ 32,747.81	\$ 20,499.26	\$ 2,226,115.79
Total Revenues	2,172,868.72	32,747.81	20,499.26	2,226,115.79
EXPENDITURES				
Professional Fees & Services		133.02		133.02
State Grant Pass-Through Expenditures		1,829,748.98	1,063,093.06	2,892,842.04
Intergovernmental Payments	2,172,882.38	2,174,782.00		4,347,664.38
Public Assistance Payments		124,648.00		124,648.00
Total Expenditures	2,172,882.38	4,129,312.00	1,063,093.06	7,365,287.44
Excess (Deficiency) of Revenues Over Expenditures	(13.66)	(4,096,564.19)	(1,042,593.80)	(5,139,171.65)
OTHER FINANCING SOURCES (USES)				
Transfers In (Note 12)		2,020,831.52	1,123,750.96	3,144,582.48
Total Other Financing Sources (Uses)		2,020,831.52	1,123,750.96	3,144,582.48
Net Change in Fund Balances\Net Assets	(13.66)	(2,075,732.67)	81,157.16	(1,994,589.17)
Fund Financial Statement-Fund Balances				
Fund Balances-September 1, 2014	15.18	7,698,776.69	4,845,785.81	12,544,577.68
FUND BALANCES - August 31, 2015	\$ 1.52	\$ 5,623,044.02	\$ 4,926,942.97	\$ 10,549,988.51

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

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT J-1
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 For the Year Ended August 31, 2015

UNAPPROPRIATED RECEIPTS <u>Child Support Deds-Suspense</u> <u>Fund (0807) (U/F 8070)</u>	Balance September 1, 2014	Additions	Deductions	Ending Balance August 31, 2015
ASSETS				
Current Assets:				
Cash in State Treasury	\$ 1,601.72	\$ 18,465.26	\$ 18,726.98	\$ 1,340.00
TOTAL ASSETS	\$ 1,601.72	\$ 18,465.26	\$ 18,726.98	\$ 1,340.00
LIABILITIES				
Current Liabilities:				
Funds Held for Others	\$ 1,601.72	\$ 18,465.26	\$ 18,726.98	\$ 1,340.00
TOTAL LIABILITIES	\$ 1,601.72	\$ 18,465.26	\$ 18,726.98	\$ 1,340.00

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

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UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 1-A
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2015

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	CFDA Number	Identifying Number	Agy/ Univ #	Pass-Through From	
				Agencies or Univ Amount	Non-State Entities Amount
				\$	\$
U.S. Dept. of Education					
Direct Programs:					
Improving Teacher Quality State Grants	84.367				
State Agency Administration					
Pass-Through To:					
Texas A & M University					
University of Texas - Arlington					
University of Texas - El Paso					
University of Houston					
Texas Woman's University					
Lamar University - Beaumont					
University of Texas - Permian Basin					
University of Texas - San Antonio					
University of TX - Brownsville					
University of Texas at Tyler					
Texas A&M University - Commerce					
University of North Texas					
Texas State University					
Texas A&M University - Corpus Christi					
University of Houston - Downtown					
Other Non-State Entities					
Other Non-State Entities					
College Access Challenge Grant Program	84.378				
State Agency Administration					
Pass-Through To:					
Texas A & M University					
University of Texas at Austin					
University of Houston					
Texas Woman's University					
University of Texas - Pan American					
University of TX - Brownsville					
Texas State University					
University of Houston - Downtown					
Texas Tech University					
University of Texas - El Paso					
Other Non-State Entities					
Pass-Through From:					
Texas Education Agency					
Vocational Education-Basic Grants	84.048		701	27,920,208.98	
State Agency Administration					
Pass-Through To:					
Texas State Technical College System					
Lamar University - Orange					

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 1-A
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2015

Direct Program Amount	Total PT From & Direct Program	Pass-Through To		Expenditures Amount	Total PT To & Expenditures
		Agy/ Univ #	State Agy or Univ Amount		
\$	\$	\$	\$	\$	\$
4,922,237.77	4,922,237.77			208,159.19	208,159.19
		711	244,168.17		244,168.17
		714	107,445.00		107,445.00
		724	347,354.33		347,354.33
		730	402,000.00		402,000.00
		731	(0.06)		(0.06)
		734	55,367.00		55,367.00
		742	325,300.85		325,300.85
		743	294,143.45		294,143.45
		747	339,755.40		339,755.40
		750	331,236.08		331,236.08
		751	(12.01)		(12.01)
		752	585,678.61		585,678.61
		754	283,601.99		283,601.99
		760	(1,186.08)		(1,186.08)
		784	(3,492.70)		(3,492.70)
					0.00
				1,402,718.55	1,402,718.55
27,552.69	27,552.69				0.00
				36,045.74	36,045.74
		711	(9,668.78)		(9,668.78)
		721	(24,000.00)		(24,000.00)
		730	35,535.87		35,535.87
		731	(111.71)		(111.71)
		736	(2,224.64)		(2,224.64)
		747	(539.52)		(539.52)
		754	(5,144.95)		(5,144.95)
		784	(690.85)		(690.85)
		733	(1,000.00)		(1,000.00)
		724	(488.82)		(488.82)
				(159.65)	(159.65)
191,543.52	28,111,752.50			809,877.92	809,877.92
		719	2,165,407.45		2,165,407.45
		787	247,312.00		247,312.00

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 1-A
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended August 31, 2015

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	CFDA Number	Identifying Number	Agy/ Univ #	Pass-Through From	
				Agencies or Univ Amount	Non-State Entities Amount
				\$	\$
Lamar State College - Port Arthur					
Lamar Institute of Technology					
Other Non-State Entities					
RAND - IES Administration	84.305H				
Grants					
Pass-Through To:					
Statewide Longitudinal Data System	84.372		701	15,236.52	
Grants					
Pass-Through To:					
University of North Texas					
University of Texas - El Paso					
Total U.S. Dept. of Education				27,935,445.50	0.00
U.S. Dept. of Justice					
John R Justice Grant Program	16.816				
Other Non-State Entities					
Total U.S. Dept. of Justice				0.00	0.00
U.S. Dept. of Labor					
Pass-Through From:					
Texas Workforce Commission					
WIA National Emergency Grants	17.277		320	470,142.98	
Other Non-State Entities					
WIA Dislocated Workers	17.278		320	248,860.99	
Pass-Through To:					
Texas A & M University					
Total U.S. Dept. of Labor				719,003.97	0.00
Student Financial Assistance Cluster					
U.S. Dept. of Education					
Direct Programs:					
Federal Family Education Loans	84.032L				
Interest Subsidy on Student Loans					
State Agency Administration					
Total Student Financial Assistance Cluster				0.00	0.00
TOTAL FEDERAL FINANCIAL ASSISTANCE				\$ 28,654,449.47	\$ 0.00

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 1-A
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended August 31, 2015

Direct Program Amount	Total PT From & Direct Program	Pass-Through To		Expenditures Amount	Total PT To & Expenditures
		Agy/ Univ #	State Agy or Univ Amount		
\$	\$	\$	\$	\$	\$
		788	145,052.57		145,052.57
		789	333,212.00		333,212.00
				24,410,890.56	24,410,890.56
44,176.53	44,176.53				
				44,176.53	44,176.53
(22,357.68)	(7,121.16)				
				0.00	0.00
		752	(7,086.24)		(7,086.24)
		724	(34.92)		(34.92)
<u>5,163,152.83</u>	<u>33,098,598.33</u>		<u>6,186,889.49</u>	<u>25,813,449.46</u>	<u>33,098,598.33</u>
47,056.00	47,056.00				
				47,056.00	47,056.00
<u>47,056.00</u>	<u>47,056.00</u>		<u>0.00</u>	<u>47,056.00</u>	<u>47,056.00</u>
(66,969.96)	403,173.02				
	248,860.99			403,173.02	403,173.02
				0.00	
		711	248,860.99		248,860.99
<u>(66,969.96)</u>	<u>652,034.01</u>		<u>248,860.99</u>	<u>403,173.02</u>	<u>652,034.01</u>
61,348.33	61,348.33				
				54,481.49	54,481.49
				6,866.84	6,866.84
<u>61,348.33</u>	<u>61,348.33</u>		<u>0.00</u>	<u>61,348.33</u>	<u>61,348.33</u>
\$ 5,204,587.20	\$ 33,859,036.67	\$	\$ 6,435,750.48	\$ 26,263,678.48	\$ 33,859,036.67
				\$ 1,159,607.71	

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 1-A

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended August 31, 2015

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)	\$	5,204,587.20
Federal Grant Pass-Through Revenues (Exh. II)		<u>28,654,449.47</u>
Subtotal		33,859,036.67
Total Pass-Through & Expenditures per Schedule 1-A	\$	<u>33,859,036.67</u>

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 1-A

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended August 31, 2015

Note 3: Student Loans Processed and Administrative Costs Recovered

Federal Grantor / CFDA Number Program Name	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	-	61,348.33	\$61,348.33	\$35,314,486.20
Dept. of Health and Human Services / 93.108 Health Education Assistance Loans	-	-	\$ -	\$6,091,186.92

Note 4: Depository Libraries for Government Publications

Not Applicable

Note 5: Unemployment Insurance

Not Applicable

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

Not Applicable

Note 7: Federal Unearned Revenue

Not Applicable

Note 8: Supplemental Nutrition Assistance Program (SNAP)

Not Applicable

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, 2015

State Pass-Through Grants from:	
Early High School Graduation Scholarships	
701 - TEXAS EDUCATION AGENCY	\$ (103.30)
Pass-Through from Total	\$ (103.30)
State Pass-Through Grants to:	
ABE Community College Grants	
711 - TEXAS A&M UNIVERSITY	\$ 137,500.00
754 - TEXAS STATE UNIVERSITY	(1,684.93)
ABE Community College Grants Total	135,815.07
Advanced Research Program	
712 - TEXAS A&M ENGINEERING EXPERIMENT STATION	(68.24)
714 - UNIVERSITY OF TEXAS AT ARLINGTON	180,000.00
721 - UNIVERSITY OF TEXAS AT AUSTIN	189,453.00
730 - UNIVERSITY OF HOUSTON	99,804.22
733 - TEXAS TECH UNIVERSITY	46,986.06
734 - LAMAR UNIVERSITY	85,000.00
738 - UNIVERSITY OF TEXAS AT DALLAS	100,000.00
745 - UT HEALTH SCIENCE CENTER AT SAN ANTONIO	100,000.00
754 - TEXAS STATE UNIVERSITY	(71,364.53)
Advanced Research Program Total	729,810.51
Armed Services Scholarships	
752 - UNIVERSITY OF NORTH TEXAS	150,000.00
Armed Services Scholarships Total	150,000.00
ATX - Bank of America	
721 - UNIVERSITY OF TEXAS AT AUSTIN	24,700.00
ATX - Bank of America Total	24,700.00
ATX - Greater TX Foundation	
711 - TEXAS A&M UNIVERSITY	9,643.00
ATX - Greater TX Foundation Total	9,643.00
ATX - Hunt	
721 - UNIVERSITY OF TEXAS AT AUSTIN	48,000.00
ATX - Hunt Total	48,000.00
ATX - Meadows	
711 - TEXAS A&M UNIVERSITY	400,000.00
ATX - Meadows Total	400,000.00
CCA-DE MATH	
754 - TEXAS STATE UNIVERSITY	149.08
CCA-DE MATH Total	149.08
Certified Edu Aide Program	
749 - TEXAS A&M UNIVERSITY-SAN ANTONIO	(103.30)
Certified Edu Aide Program Total	(103.30)
College Readiness Initiative	
711 - TEXAS A&M UNIVERSITY	488,670.17
713 - TARLETON STATE UNIVERSITY	(87,031.30)
717 - TEXAS SOUTHERN UNIVERSITY	6,000.00
719 - TEXAS STATE TECHNICAL COLLEGE SYSTEM	6,000.00

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 1-B
SCHEDULE OF STATE GRANT PASS-THROUGHS

FROM/TO STATE AGENCIES

For the Year Ended August 31, 2015

721 - UNIVERSITY OF TEXAS AT AUSTIN	(288.00)
724 - UNIVERSITY OF TEXAS AT EL PASO	91,519.00
730 - UNIVERSITY OF HOUSTON	197,304.04
731 - TEXAS WOMAN'S UNIVERSITY	56,148.68
732 - TEXAS A&M UNIVERSITY-KINGSVILLE	6,000.00
733 - TEXAS TECH UNIVERSITY	6,941.00
736 - UNIVERSITY OF TEXAS - PAN AMERICAN	3,922.10
742 - UNIVERSITY OF TEXAS OF THE PERMIAN BASIN	6,000.00
743 - UNIVERSITY OF TEXAS AT SAN ANTONIO	142,500.00
751 - TEXAS A&M UNIVERSITY - COMMERCE	15,135.50
752 - UNIVERSITY OF NORTH TEXAS	210,000.00
754 - TEXAS STATE UNIVERSITY	19,911.89
755 - STEPHEN F AUSTIN STATE UNIVERSITY	5,000.00
760 - TEXAS A&M UNIVERSITY - CORPUS CHRISTI	5,159.20
784 - UNIVERSITY OF HOUSTON DOWNTOWN	105,592.00
College Readiness Initiative Total	1,284,484.28
College Work Study Program	
709 - TX A&M UNIV SYSTEM HEALTH SCIENCE CENTER	14,939.00
711 - TEXAS A&M UNIVERSITY	200,483.00
713 - TARLETON STATE UNIVERSITY	13,558.67
714 - UNIVERSITY OF TEXAS AT ARLINGTON	108,331.84
715 - PRAIRIE VIEW A&M UNIVERSITY	75,268.88
717 - TEXAS SOUTHERN UNIVERSITY	97,870.00
718 - TEXAS A&M UNIVERSITY AT GALVESTON	7,393.00
719 - TEXAS STATE TECHNICAL COLLEGE SYSTEM	95,691.00
721 - UNIVERSITY OF TEXAS AT AUSTIN	221,318.00
724 - UNIVERSITY OF TEXAS AT EL PASO	166,832.00
729 - UT SOUTHWESTERN MEDICAL CENTER	8,932.00
730 - UNIVERSITY OF HOUSTON	344,856.00
731 - TEXAS WOMAN'S UNIVERSITY	89,873.80
732 - TEXAS A&M UNIVERSITY-KINGSVILLE	79,606.00
733 - TEXAS TECH UNIVERSITY	145,726.00
734 - LAMAR UNIVERSITY	80,853.00
735 - MIDWESTERN STATE UNIVERSITY	31,126.00
736 - UNIVERSITY OF TEXAS - PAN AMERICAN	167,998.00
737 - ANGELO STATE UNIVERSITY	59,447.61
738 - UNIVERSITY OF TEXAS AT DALLAS	71,449.42
742 - UNIVERSITY OF TEXAS OF THE PERMIAN BASIN	20,851.00
743 - UNIVERSITY OF TEXAS AT SAN ANTONIO	188,465.00
745 - UT HEALTH SCIENCE CENTER AT SAN ANTONIO	22,019.00
747 - UNIVERSITY OF TEXAS AT BROWNSVILLE	56,138.80
750 - UNIVERSITY OF TEXAS AT TYLER	4,887.00
751 - TEXAS A&M UNIVERSITY - COMMERCE	68,305.92
752 - UNIVERSITY OF NORTH TEXAS	172,811.23
753 - SAM HOUSTON STATE UNIVERSITY	113,458.85
754 - TEXAS STATE UNIVERSITY	178,773.24
755 - STEPHEN F AUSTIN STATE UNIVERSITY	82,180.00

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, 2015

756 - SUL ROSS STATE UNIVERSITY	28,106.00
757 - WEST TEXAS A&M UNIVERSITY	41,220.00
759 - UNIVERSITY OF HOUSTON - CLEAR LAKE	58,343.00
760 - TEXAS A&M UNIVERSITY - CORPUS CHRISTI	62,144.51
761 - TEXAS A&M INTERNATIONAL UNIVERSITY	51,522.00
763 - UNIV OF NORTH TX HEALTH SCI CTR FT WORTH	6,982.98
764 - TEXAS A&M UNIVERSITY - TEXARKANA	7,592.80
765 - UNIVERSITY OF HOUSTON-VICTORIA	14,759.78
770 - TEXAS A&M UNIVERSITY-CENTRAL TEXAS	5,062.62
784 - UNIVERSITY OF HOUSTON DOWNTOWN	90,204.00
787 - LAMAR STATE COLLEGE - ORANGE	11,368.00
788 - LAMAR STATE COLLEGE - PORT ARTHUR	21,318.00
789 - LAMAR INSTITUTE OF TECHNOLOGY	6,424.00
College Work Study Program Total	3,394,490.95
CTG - Planning and Information	
736 - UNIVERSITY OF TEXAS - PAN AMERICAN	(85.44)
CTG - Planning and Information Total	(85.44)
Developmental Education Program	
711 - TEXAS A&M UNIVERSITY	260,760.00
719 - TEXAS STATE TECHNICAL COLLEGE SYSTEM	400,677.66
736 - UNIVERSITY OF TEXAS - PAN AMERICAN	18,750.00
754 - TEXAS STATE UNIVERSITY	183,607.16
Developmental Education Program Total	863,794.82
Emergency and Trauma Care	
723 - UT MEDICAL BRANCH AT GALVESTON	80,336.81
724 - UNIVERSITY OF TEXAS AT EL PASO	(167,059.93)
729 - UT SOUTHWESTERN MEDICAL CENTER	(16,916.88)
739 - TX TECH UNIVERSITY HEALTH SCIENCES CENTR	332,563.92
744 - UT HEALTH SCIENCE CENTER AT HOUSTON	634,136.15
745 - UT HEALTH SCIENCE CENTER AT SAN ANTONIO	206,888.79
Emergency and Trauma Care Total	1,069,948.86
Engineering Recruitment Program	
711 - TEXAS A&M UNIVERSITY	13,998.00
713 - TARLETON STATE UNIVERSITY	13,998.00
714 - UNIVERSITY OF TEXAS AT ARLINGTON	13,998.00
715 - PRAIRIE VIEW A&M UNIVERSITY	15,643.35
718 - TEXAS A&M UNIVERSITY AT GALVESTON	(594.71)
721 - UNIVERSITY OF TEXAS AT AUSTIN	(12,500.00)
724 - UNIVERSITY OF TEXAS AT EL PASO	13,998.00
733 - TEXAS TECH UNIVERSITY	6,046.16
734 - LAMAR UNIVERSITY	12,070.75
735 - MIDWESTERN STATE UNIVERSITY	10,311.62
736 - UNIVERSITY OF TEXAS - PAN AMERICAN	13,987.38
738 - UNIVERSITY OF TEXAS AT DALLAS	13,998.00
742 - UNIVERSITY OF TEXAS OF THE PERMIAN BASIN	13,998.00
743 - UNIVERSITY OF TEXAS AT SAN ANTONIO	13,998.00
747 - UNIVERSITY OF TEXAS AT BROWNSVILLE	13,435.83

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, 2015

750 - UNIVERSITY OF TEXAS AT TYLER	13,998.00
751 - TEXAS A&M UNIVERSITY - COMMERCE	13,998.00
752 - UNIVERSITY OF NORTH TEXAS	13,614.68
755 - STEPHEN F AUSTIN STATE UNIVERSITY	11,503.08
Engineering Recruitment Program Total	209,500.14
Family Practice HB1025	
709 - TX A&M UNIV SYSTEM HEALTH SCIENCE CENTER	234,992.61
723 - UT MEDICAL BRANCH AT GALVESTON	252,399.47
729 - UT SOUTHWESTERN MEDICAL CENTER	435,171.50
744 - UT HEALTH SCIENCE CENTER AT HOUSTON	313,323.48
745 - UT HEALTH SCIENCE CENTER AT SAN ANTONIO	478,688.65
763 - UNIV OF NORTH TX HEALTH SCI CTR FT WORTH	90,363.36
785 - UT HEALTH CENTER AT TYLER	208,882.32
Family Practice HB1025 Total	2,013,821.39
Family Practice Residency Program	
709 - TX A&M UNIV SYSTEM HEALTH SCIENCE CENTER	5,050.00
723 - UT MEDICAL BRANCH AT GALVESTON	5,424.00
729 - UT SOUTHWESTERN MEDICAL CENTER	1,644.55
739 - TX TECH UNIVERSITY HEALTH SCIENCES CENTR	871,483.28
744 - UT HEALTH SCIENCE CENTER AT HOUSTON	6,733.00
745 - UT HEALTH SCIENCE CENTER AT SAN ANTONIO	7,279.63
763 - UNIV OF NORTH TX HEALTH SCI CTR FT WORTH	34,102.66
785 - UT HEALTH CENTER AT TYLER	12,488.00
Family Practice Residency Program Total	944,205.12
GME Expansion	
723 - UT MEDICAL BRANCH AT GALVESTON	390,000.00
739 - TX TECH UNIVERSITY HEALTH SCIENCES CENTR	617,500.00
745 - UT HEALTH SCIENCE CENTER AT SAN ANTONIO	260,000.00
GME Expansion Total	1,267,500.00
GME Expansion HB1025	
723 - UT MEDICAL BRANCH AT GALVESTON	65,000.00
729 - UT SOUTHWESTERN MEDICAL CENTER	130,000.00
739 - TX TECH UNIVERSITY HEALTH SCIENCES CENTR	195,000.00
744 - UT HEALTH SCIENCE CENTER AT HOUSTON	780,000.00
745 - UT HEALTH SCIENCE CENTER AT SAN ANTONIO	1,480,000.00
763 - UNIV OF NORTH TX HEALTH SCI CTR FT WORTH	130,000.00
GME Expansion HB1025 Total	2,780,000.00
Ken Ashworth Scholarship Fund	
721 - UNIVERSITY OF TEXAS AT AUSTIN	5,000.00
Ken Ashworth Scholarship Fund Total	5,000.00
Minority Health Research and Education	
709 - TX A&M UNIV SYSTEM HEALTH SCIENCE CENTER	123,258.03
713 - TARLETON STATE UNIVERSITY	68,129.64
717 - TEXAS SOUTHERN UNIVERSITY	12,188.00
723 - UT MEDICAL BRANCH AT GALVESTON	229,710.77
729 - UT SOUTHWESTERN MEDICAL CENTER	22,963.00
731 - TEXAS WOMAN'S UNIVERSITY	66,548.41

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, 2015

734 - LAMAR UNIVERSITY	68,006.14
745 - UT HEALTH SCIENCE CENTER AT SAN ANTONIO	75,689.20
752 - UNIVERSITY OF NORTH TEXAS	286,552.89
753 - SAM HOUSTON STATE UNIVERSITY	106,370.68
754 - TEXAS STATE UNIVERSITY	3,179.30
763 - UNIV OF NORTH TX HEALTH SCI CTR FT WORTH	497.00
Minority Health Research and Education Total	1,063,093.06
Nursing and Allied Health	
709 - TX A&M UNIV SYSTEM HEALTH SCIENCE CENTER	67,592.76
713 - TARLETON STATE UNIVERSITY	163,730.75
714 - UNIVERSITY OF TEXAS AT ARLINGTON	405,491.71
721 - UNIVERSITY OF TEXAS AT AUSTIN	75,560.62
731 - TEXAS WOMAN'S UNIVERSITY	54,899.84
734 - LAMAR UNIVERSITY	50,975.35
735 - MIDWESTERN STATE UNIVERSITY	99,871.00
739 - TX TECH UNIVERSITY HEALTH SCIENCES CENTR	220,045.51
744 - UT HEALTH SCIENCE CENTER AT HOUSTON	17,645.00
745 - UT HEALTH SCIENCE CENTER AT SAN ANTONIO	29,853.00
751 - TEXAS A&M UNIVERSITY - COMMERCE	139,853.49
753 - SAM HOUSTON STATE UNIVERSITY	122,446.63
754 - TEXAS STATE UNIVERSITY	119,781.69
755 - STEPHEN F AUSTIN STATE UNIVERSITY	65,704.58
760 - TEXAS A&M UNIVERSITY - CORPUS CHRISTI	101,036.05
787 - LAMAR STATE COLLEGE - ORANGE	95,261.00
Nursing and Allied Health Total	1,829,748.98
Outreach and Success	
711 - TEXAS A&M UNIVERSITY	133,263.00
721 - UNIVERSITY OF TEXAS AT AUSTIN	15,000.00
724 - UNIVERSITY OF TEXAS AT EL PASO	10,000.00
730 - UNIVERSITY OF HOUSTON	195,614.24
733 - TEXAS TECH UNIVERSITY	38,850.29
751 - TEXAS A&M UNIVERSITY - COMMERCE	41,675.00
753 - SAM HOUSTON STATE UNIVERSITY	41,996.19
754 - TEXAS STATE UNIVERSITY	147,572.03
784 - UNIVERSITY OF HOUSTON DOWNTOWN	10,000.00
Outreach and Success Total	633,970.75
Primary Care Innovation	
723 - UT MEDICAL BRANCH AT GALVESTON	314,648.00
739 - TX TECH UNIVERSITY HEALTH SCIENCES CENTR	560,416.00
744 - UT HEALTH SCIENCE CENTER AT HOUSTON	562,941.00
763 - UNIV OF NORTH TX HEALTH SCI CTR FT WORTH	356,258.00
Primary Care Innovation Total	1,794,263.00
Professional Nursing Shortage Reduction Program	
709 - TX A&M UNIV SYSTEM HEALTH SCIENCE CENTER	435,950.35
713 - TARLETON STATE UNIVERSITY	500,227.19
714 - UNIVERSITY OF TEXAS AT ARLINGTON	4,074,129.04
715 - PRAIRIE VIEW A&M UNIVERSITY	72,349.63

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TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

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

For the Year Ended August 31, 2015

719 - TEXAS STATE TECHNICAL COLLEGE SYSTEM	220,358.86
723 - UT MEDICAL BRANCH AT GALVESTON	303,978.72
724 - UNIVERSITY OF TEXAS AT EL PASO	492,330.49
731 - TEXAS WOMAN'S UNIVERSITY	284,725.09
734 - LAMAR UNIVERSITY	758,824.24
736 - UNIVERSITY OF TEXAS - PAN AMERICAN	230,000.00
739 - TX TECH UNIVERSITY HEALTH SCIENCES CENTR	151,971.63
742 - UNIVERSITY OF TEXAS OF THE PERMIAN BASIN	138,597.00
744 - UT HEALTH SCIENCE CENTER AT HOUSTON	1,094,195.74
745 - UT HEALTH SCIENCE CENTER AT SAN ANTONIO	840,000.00
750 - UNIVERSITY OF TEXAS AT TYLER	340,000.00
753 - SAM HOUSTON STATE UNIVERSITY	484,132.10
754 - TEXAS STATE UNIVERSITY	61,563.31
755 - STEPHEN F AUSTIN STATE UNIVERSITY	51,284.72
760 - TEXAS A&M UNIVERSITY - CORPUS CHRISTI	95,311.57
761 - TEXAS A&M INTERNATIONAL UNIVERSITY	270,000.00
765 - UNIVERSITY OF HOUSTON-VICTORIA	330,021.84
Professional Nursing Shortage Reduction Program Total	11,229,951.52
Texas Education Opportunity Grant Program	
719 - TEXAS STATE TECHNICAL COLLEGE SYSTEM	2,695,196.00
787 - LAMAR STATE COLLEGE - ORANGE	405,399.00
788 - LAMAR STATE COLLEGE - PORT ARTHUR	657,000.00
789 - LAMAR INSTITUTE OF TECHNOLOGY	474,133.00
Texas Education Opportunity Grant Program Total	4,231,728.00
TEXAS Grant Program	
506 - UT MD ANDERSON CANCER CENTER	20,000.00
711 - TEXAS A&M UNIVERSITY	26,649,824.00
713 - TARLETON STATE UNIVERSITY	5,181,263.00
714 - UNIVERSITY OF TEXAS AT ARLINGTON	12,777,650.00
715 - PRAIRIE VIEW A&M UNIVERSITY	9,049,180.00
717 - TEXAS SOUTHERN UNIVERSITY	7,119,072.00
718 - TEXAS A&M UNIVERSITY AT GALVESTON	568,000.00
719 - TEXAS STATE TECHNICAL COLLEGE SYSTEM	481,783.00
721 - UNIVERSITY OF TEXAS AT AUSTIN	31,620,000.00
723 - UT MEDICAL BRANCH AT GALVESTON	42,500.00
724 - UNIVERSITY OF TEXAS AT EL PASO	18,875,000.00
730 - UNIVERSITY OF HOUSTON	23,054,302.00
731 - TEXAS WOMAN'S UNIVERSITY	7,161,667.00
732 - TEXAS A&M UNIVERSITY-KINGSVILLE	6,868,333.00
733 - TEXAS TECH UNIVERSITY	11,740,250.00
734 - LAMAR UNIVERSITY	4,890,000.00
735 - MIDWESTERN STATE UNIVERSITY	3,220,000.00
736 - UNIVERSITY OF TEXAS - PAN AMERICAN	25,987,494.00
737 - ANGELO STATE UNIVERSITY	3,629,889.00
738 - UNIVERSITY OF TEXAS AT DALLAS	7,526,667.00
739 - TX TECH UNIVERSITY HEALTH SCIENCES CENTR	47,500.00
742 - UNIVERSITY OF TEXAS OF THE PERMIAN BASIN	1,221,104.00

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TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 1-B
 SCHEDULE OF STATE GRANT PASS-THROUGHS
 FROM/TO STATE AGENCIES
 For the Year Ended August 31, 2015

743 - UNIVERSITY OF TEXAS AT SAN ANTONIO	19,507,621.00
744 - UT HEALTH SCIENCE CENTER AT HOUSTON	19,645.00
745 - UT HEALTH SCIENCE CENTER AT SAN ANTONIO	66,000.00
747 - UNIVERSITY OF TEXAS AT BROWNSVILLE	8,173,934.00
750 - UNIVERSITY OF TEXAS AT TYLER	1,925,000.00
751 - TEXAS A&M UNIVERSITY - COMMERCE	4,771,750.00
752 - UNIVERSITY OF NORTH TEXAS	19,890,000.00
753 - SAM HOUSTON STATE UNIVERSITY	10,790,250.00
754 - TEXAS STATE UNIVERSITY	21,262,715.00
755 - STEPHEN F AUSTIN STATE UNIVERSITY	7,757,625.00
756 - SUL ROSS STATE UNIVERSITY	1,126,958.00
757 - WEST TEXAS A&M UNIVERSITY	3,748,384.00
759 - UNIVERSITY OF HOUSTON - CLEAR LAKE	1,595,216.00
760 - TEXAS A&M UNIVERSITY - CORPUS CHRISTI	4,919,312.00
761 - TEXAS A&M INTERNATIONAL UNIVERSITY	7,908,333.00
764 - TEXAS A&M UNIVERSITY - TEXARKANA	450,000.00
765 - UNIVERSITY OF HOUSTON-VICTORIA	1,312,083.00
770 - TEXAS A&M UNIVERSITY-CENTRAL TEXAS	151,991.00
784 - UNIVERSITY OF HOUSTON DOWNTOWN	6,703,333.00
787 - LAMAR STATE COLLEGE - ORANGE	119,749.00
788 - LAMAR STATE COLLEGE - PORT ARTHUR	201,250.00
789 - LAMAR INSTITUTE OF TECHNOLOGY	20,000.00
TEXAS Grant Program Total	330,152,627.00
Texas Research Incentive Program - HB51	
714 - UNIVERSITY OF TEXAS AT ARLINGTON	325,000.13
724 - UNIVERSITY OF TEXAS AT EL PASO	4,002,434.18
730 - UNIVERSITY OF HOUSTON	1,408,333.50
733 - TEXAS TECH UNIVERSITY	8,081,615.01
738 - UNIVERSITY OF TEXAS AT DALLAS	3,042,124.00
743 - UNIVERSITY OF TEXAS AT SAN ANTONIO	727,145.00
754 - TEXAS STATE UNIVERSITY	225,848.18
Texas Research Incentive Program - HB51 Total	17,812,500.00
Top 10% Scholarships	
709 - TX A&M UNIV SYSTEM HEALTH SCIENCE CENTER	10,800.00
711 - TEXAS A&M UNIVERSITY	2,698,462.00
713 - TARLETON STATE UNIVERSITY	78,800.00
714 - UNIVERSITY OF TEXAS AT ARLINGTON	272,600.00
715 - PRAIRIE VIEW A&M UNIVERSITY	34,000.00
717 - TEXAS SOUTHERN UNIVERSITY	6,600.00
718 - TEXAS A&M UNIVERSITY AT GALVESTON	39,200.00
719 - TEXAS STATE TECHNICAL COLLEGE SYSTEM	8,600.00
721 - UNIVERSITY OF TEXAS AT AUSTIN	2,987,000.00
724 - UNIVERSITY OF TEXAS AT EL PASO	450,478.27
730 - UNIVERSITY OF HOUSTON	726,900.00
731 - TEXAS WOMAN'S UNIVERSITY	66,093.00
732 - TEXAS A&M UNIVERSITY-KINGSVILLE	80,000.00
733 - TEXAS TECH UNIVERSITY	347,000.00

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TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 1-B
SCHEDULE OF STATE GRANT PASS-THROUGHS

FROM/TO STATE AGENCIES

For the Year Ended August 31, 2015

734 - LAMAR UNIVERSITY	20,600.00
735 - MIDWESTERN STATE UNIVERSITY	47,400.00
736 - UNIVERSITY OF TEXAS - PAN AMERICAN	775,071.00
737 - ANGELO STATE UNIVERSITY	53,000.00
738 - UNIVERSITY OF TEXAS AT DALLAS	437,400.00
739 - TX TECH UNIVERSITY HEALTH SCIENCES CENTR	4,000.00
742 - UNIVERSITY OF TEXAS OF THE PERMIAN BASIN	4,800.00
743 - UNIVERSITY OF TEXAS AT SAN ANTONIO	414,600.00
747 - UNIVERSITY OF TEXAS AT BROWNSVILLE	101,400.00
750 - UNIVERSITY OF TEXAS AT TYLER	34,200.00
751 - TEXAS A&M UNIVERSITY - COMMERCE	66,674.00
752 - UNIVERSITY OF NORTH TEXAS	657,600.00
753 - SAM HOUSTON STATE UNIVERSITY	184,765.00
754 - TEXAS STATE UNIVERSITY	330,200.00
755 - STEPHEN F AUSTIN STATE UNIVERSITY	229,600.00
756 - SUL ROSS STATE UNIVERSITY	12,800.00
757 - WEST TEXAS A&M UNIVERSITY	82,000.00
759 - UNIVERSITY OF HOUSTON - CLEAR LAKE	8,400.00
760 - TEXAS A&M UNIVERSITY - CORPUS CHRISTI	83,400.00
761 - TEXAS A&M INTERNATIONAL UNIVERSITY	202,400.00
764 - TEXAS A&M UNIVERSITY - TEXARKANA	6,800.00
765 - UNIVERSITY OF HOUSTON-VICTORIA	13,000.00
784 - UNIVERSITY OF HOUSTON DOWNTOWN	18,080.00
788 - LAMAR STATE COLLEGE - PORT ARTHUR	2,400.00
Top 10% Scholarships Total	11,597,123.27
T-STEM Scholarship Program	
719 - TEXAS STATE TECHNICAL COLLEGE SYSTEM	1,630,200.00
T-STEM Scholarship Program Total	1,630,200.00
TX Teacher Residency Prog	
751 - TEXAS A&M UNIVERSITY - COMMERCE	1,110,713.76
TX Teacher Residency Prog Total	1,110,713.76
Work Study Mentorship Program	
713 - TARLETON STATE UNIVERSITY	3,506.70
714 - UNIVERSITY OF TEXAS AT ARLINGTON	219,066.97
717 - TEXAS SOUTHERN UNIVERSITY	161,544.29
719 - TEXAS STATE TECHNICAL COLLEGE SYSTEM	168,593.30
724 - UNIVERSITY OF TEXAS AT EL PASO	167,301.41
731 - TEXAS WOMAN'S UNIVERSITY	125,334.81
732 - TEXAS A&M UNIVERSITY-KINGSVILLE	78,050.11
733 - TEXAS TECH UNIVERSITY	65,000.00
736 - UNIVERSITY OF TEXAS - PAN AMERICAN	132,695.96
738 - UNIVERSITY OF TEXAS AT DALLAS	47,835.22
742 - UNIVERSITY OF TEXAS OF THE PERMIAN BASIN	17,046.00
743 - UNIVERSITY OF TEXAS AT SAN ANTONIO	150,635.33
747 - UNIVERSITY OF TEXAS AT BROWNSVILLE	200,000.00
751 - TEXAS A&M UNIVERSITY - COMMERCE	33,428.89
752 - UNIVERSITY OF NORTH TEXAS	176,025.23

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, 2015

754 - TEXAS STATE UNIVERSITY	138,149.14
757 - WEST TEXAS A&M UNIVERSITY	116,461.47
760 - TEXAS A&M UNIVERSITY - CORPUS CHRISTI	108,636.83
761 - TEXAS A&M INTERNATIONAL UNIVERSITY	50,000.00
773 - UNIVERSITY OF NORTH TEXAS-DALLAS	39,284.65
784 - UNIVERSITY OF HOUSTON DOWNTOWN	21,953.39
Work Study Mentorship Program Total	2,220,549.70
Total State Pass-Through Grants To Other Agencies (Exh. II)	400,637,143.52

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TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 2-A
MISCELLANEOUS BOND INFORMATION
For the Year Ended August 31, 2015

Governmental Activities

Description of Issue	Bonds Issued To Date	Range of Interest Rates	Terms of Variable Interest Rates	Scheduled Maturities		First Call Date
				First Year	Last Year	
<u>General Obligation Bonds:</u>						
COL STUD LOAN BDS SER'07A	72,805,000.00	5.00%	5.25%	2011	2031	08/01/2021 (A,B)
COL STUD LOAN RFD BDS SER'07B	26,165,000.00	4.50%	5.00%	2014	2018	N/A
COL STUD LOAN BDS SER'08A	74,115,000.00	5.00%	5.50%	2012	2032	08/01/2018 (A,B)
COL STUD LOAN RFD BDS SER'08B	27,335,000.00	5.00%	5.50%	2014	2018	N/A
COL STUD LOAN RFD BDS SER'08C	45,265,000.00	5.25%	5.25%	2009	2017	N/A
COL STUD LOAN BDS SER'09	71,730,000.00	4.00%	5.00%	2013	2033	08/01/2019 (A,B)
COL STUD LOAN BDS SER'10	113,580,000.00	3.00%	5.00%	2014	2034	08/01/2020 (A,B)
COL STUD LOAN RFD BDS SER'10	51,865,000.00	3.00%	5.00%	2011	2017	N/A
COL STUD LOAN BDS SER'11A	118,650,000.00	5.00%	5.00%	2015	2036	08/01/2021 (A,B)
COL STUD LOAN RFD BDS SER'11B	27,020,000.00	2.00%	5.00%	2012	2018	N/A
COL STUD LOAN RFD BDS SER'11C	6,570,000.00	5.00%	5.00%	2019	2022	N/A
COL STUD LOAN BDS SER'12	85,615,000.00	3.00%	5.50%	2016	2035	08/01/2022 (A)
COL STUD LOAN RFD BDS SER'13A	98,550,000.00	2.00%	5.00%	2014	2023	N/A
COL STUD LOAN BDS SER'13B	113,740,000.00	4.00%	5.50%	2019	2030	8/1/2023 (A)
COL STUD LOAN BDS SER'14	68,130,000.00	4.00%	6.00%	2019	2030	8/1/2023 (A)
Total General Obligation Bonds	<u>\$ 1,001,135,000.00</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 1 of each of the years listed below and continuing each subsequent year until scheduled maturity:

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

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TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 2-B

CHANGES IN BONDED INDEBTEDNESS

For the Year Ended August 31, 2015

Governmental Activities

Description of Issue	Bonds Outstanding 9/1/2014	Bonds Issued	Bonds Matured or Retired	Bonds Refunded or Extinguished	Bonds Outstanding 8/31/2015	Unamortized Premium/ Discount	Net Bonds Outstanding 8/31/2015	Amounts Due Within One Year
General Obligation Bonds:								
COL STUD LOAN BDS SER'07A	64,125,000.00		2,450,000.00		61,675,000.00		61,675,000.00	2,570,000.00
COL STUD LOAN RFD BDS SER'07B	19,485,000.00				19,485,000.00		19,485,000.00	6,900,000.00
COL STUD LOAN BDS SER'08A	67,685,000.00		2,385,000.00		65,300,000.00		65,300,000.00	2,500,000.00
COL STUD LOAN RFD BDS SER'08B	20,390,000.00				20,390,000.00		20,390,000.00	7,070,000.00
COL STUD LOAN RFD BDS SER'08C	17,535,000.00		5,550,000.00		11,985,000.00		11,985,000.00	5,840,000.00
COL STUD LOAN BDS SER'09	67,415,000.00		2,285,000.00		65,130,000.00		65,130,000.00	2,380,000.00
COL STUD LOAN BDS SER'10	110,290,000.00		3,455,000.00		106,835,000.00	8,849,303.36	115,684,303.36	4,055,752.81
COL STUD LOAN RFD BDS SER'10	32,915,000.00		26,775,000.00		6,140,000.00	1,299,823.31	7,439,823.31	3,649,911.66
COL STUD LOAN BDS SER'11A	118,650,000.00		3,080,000.00		115,570,000.00	3,644,068.02	119,214,068.02	3,831,527.08
COL STUD LOAN RFD BDS SER'11B	6,110,000.00		4,240,000.00		1,870,000.00	38,436.82	1,908,436.82	782,471.27
COL STUD LOAN RFD BDS SER'11C	6,570,000.00				6,570,000.00	510,502.77	7,080,502.77	90,639.73
COL STUD LOAN BDS SER'12	85,615,000.00				85,615,000.00	8,602,717.92	94,217,717.92	2,442,590.23
COL STUD LOAN RFD BDS SER'13A	82,425,000.00		3,895,000.00		78,530,000.00	7,502,402.39	86,032,402.39	20,775,585.68
COL STUD LOAN BDS SER'13B	113,740,000.00				113,740,000.00	11,079,825.93	124,819,825.93	1,442,922.95
COL STUD LOAN BDS SER'14		68,130,000.00			68,130,000.00	12,076,281.88	80,206,281.88	1,343,894.97
Total General Obligation Bonds	\$ 812,950,000.00	\$ 68,130,000.00	\$ 54,115,000.00	\$ 0.00	\$ 826,965,000.00	\$ 53,603,362.40	\$ 880,568,362.40	\$ 65,675,296.38

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TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 2-C
DEBT SERVICE REQUIREMENTS

For the Year Ended August 31, 2015

Governmental Activities

Description of Issue	Year	Principal	Interest
<u>General Obligation Bonds:</u>			
COL STUD LOAN BDS SER'07A	2016	2,570,000.00	3,145,362.50
	2017	2,700,000.00	3,010,437.50
	2018	2,830,000.00	2,868,687.50
	2019	2,980,000.00	2,720,112.50
	2020	3,135,000.00	2,563,662.50
	2021-2025	18,325,000.00	10,179,037.50
	2026-2030	23,640,000.00	5,039,500.00
	2031	5,495,000.00	274,750.00
		<u>\$ 61,675,000.00</u>	<u>\$ 29,801,550.00</u>
COL STUD LOAN RFD BDS SER'07B	2016	6,900,000.00	939,750.00
	2017	5,900,000.00	629,250.00
	2018	6,685,000.00	334,250.00
		<u>\$ 19,485,000.00</u>	<u>\$ 1,903,250.00</u>
COL STUD LOAN BDS SER'08A	2016	2,500,000.00	3,356,837.50
	2017	2,630,000.00	3,231,837.50
	2018	2,760,000.00	3,100,337.50
	2019	2,895,000.00	2,962,337.50
	2020	3,050,000.00	2,810,350.00
	2021-2025	17,810,000.00	11,485,187.50
	2026-2030	22,805,000.00	6,491,687.50
	2031-2032	10,850,000.00	861,525.00
		<u>\$ 65,300,000.00</u>	<u>\$ 34,300,100.00</u>
COL STUD LOAN RFD BDS SER'08B	2016	7,070,000.00	1,019,500.00
	2017	6,275,000.00	666,000.00
	2018	7,045,000.00	352,250.00
		<u>\$ 20,390,000.00</u>	<u>\$ 2,037,750.00</u>
COL STUD LOAN RFD BDS SER'08C	2016	5,840,000.00	629,212.50
	2017	6,145,000.00	322,612.50
		<u>\$ 11,985,000.00</u>	<u>\$ 951,825.00</u>
COL STUD LOAN BDS SER'09	2016	2,380,000.00	3,163,793.76
	2017	2,475,000.00	3,068,593.76
	2018	2,575,000.00	2,969,593.76
	2019	2,700,000.00	2,840,843.76
	2020	2,810,000.00	2,732,843.76
	2021-2025	16,295,000.00	11,411,718.80
	2026-2030	20,805,000.00	6,908,718.80
	2031-2033	15,090,000.00	1,533,750.00
		<u>\$ 65,130,000.00</u>	<u>\$ 34,629,856.40</u>

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TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 2-C
DEBT SERVICE REQUIREMENTS

For the Year Ended August 31, 2015

Governmental Activities

Description of Issue	Year	Principal	Interest
COL STUD LOAN BDS SER'10	2016	3,590,000.00	5,225,175.00
	2017	3,740,000.00	5,076,175.00
	2018	3,920,000.00	4,895,250.00
	2019	4,080,000.00	4,738,450.00
	2020	4,240,000.00	4,575,250.00
	2021-2025	24,605,000.00	19,475,250.00
	2026-2030	31,400,000.00	12,677,750.00
	2031-2034	31,260,000.00	4,002,500.00
			<u>\$ 106,835,000.00</u>
COL STUD LOAN RFD BDS SER'10	2016	3,000,000.00	307,000.00
	2017	3,140,000.00	157,000.00
		<u>\$ 6,140,000.00</u>	<u>\$ 464,000.00</u>
COL STUD LOAN BDS SER'11A	2016	3,235,000.00	5,778,500.00
	2017	3,400,000.00	5,616,750.00
	2018	3,565,000.00	5,446,750.00
	2019	3,745,000.00	5,268,500.00
	2020	3,935,000.00	5,081,250.00
	2021-2025	22,820,000.00	22,251,750.00
	2026-2030	29,120,000.00	15,947,250.00
	2031-2035	37,165,000.00	7,902,000.00
	2036	8,585,000.00	429,250.00
		<u>\$ 115,570,000.00</u>	<u>\$ 73,722,000.00</u>
COL STUD LOAN RFD BDS SER'11B	2016	760,000.00	67,400.00
	2017	565,000.00	44,600.00
	2018	545,000.00	16,350.00
		<u>\$ 1,870,000.00</u>	<u>\$ 128,350.00</u>
COL STUD LOAN RFD BDS SER'11C	2016		328,500.00
	2017		328,500.00
	2018		328,500.00
	2019	1,590,000.00	328,500.00
	2020	1,625,000.00	249,000.00
	2021-2022	3,355,000.00	252,500.00
		<u>\$ 6,570,000.00</u>	<u>\$ 1,815,500.00</u>
COL STUD LOAN BDS SER'12	2016	515,000.00	4,192,256.26
	2017	3,905,000.00	4,171,656.26
	2018	11,500,000.00	3,976,406.26
	2019	18,805,000.00	3,372,656.26
	2020	13,185,000.00	2,338,381.26
	2021-2025	17,145,000.00	5,797,881.30
	2026-2030	9,295,000.00	2,921,793.78
	2031-2035	11,265,000.00	1,221,650.04
		<u>\$ 85,615,000.00</u>	<u>\$ 27,992,681.42</u>

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 2-C
DEBT SERVICE REQUIREMENTS

For the Year Ended August 31, 2015

Governmental Activities

Description of Issue	Year	Principal	Interest
COL STUD LOAN RFD BDS SER'13A	2016	18,010,000.00	3,746,400.00
	2017	17,570,000.00	3,026,000.00
	2018	19,035,000.00	2,147,500.00
	2019	20,015,000.00	1,195,750.00
	2020	895,000.00	195,000.00
	2021-2023	3,005,000.00	306,250.00
			<u>\$ 78,530,000.00</u>
COL STUD LOAN BDS SER'13B	2016		5,383,950.00
	2017		5,383,950.00
	2018		5,383,950.00
	2019	5,000,000.00	5,383,950.00
	2020	8,000,000.00	5,133,950.00
	2021-2025	58,715,000.00	18,073,987.50
	2026-2030	42,025,000.00	4,670,762.50
		<u>\$ 113,740,000.00</u>	<u>\$ 49,414,500.00</u>
COL STUD LOAN BDS SER'14	2016		3,536,800.00
	2017		3,536,800.00
	2018		3,536,800.00
	2019	1,905,000.00	3,536,800.00
	2020	2,320,000.00	3,422,500.00
	2021-2025	30,030,000.00	12,631,100.00
	2026-2030	33,875,000.00	4,374,500.00
		<u>\$ 68,130,000.00</u>	<u>\$ 34,575,300.00</u>

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 2-D

ANALYSIS OF FUNDS AVAILABLE FOR DEBT SERVICE

For the Year Ended August 31, 2015

Governmental Activities

<u>Description of Issue</u>	<u>Application of Funds</u>	
	<u>Principal</u>	<u>Interest</u>
<u>General Obligation Bonds</u>		
COL STUD LOAN BDS	<u>\$ 54,115,000.00</u>	<u>\$ 41,952,438.61</u>

