Texas Higher Education Coordinating Board

Annual Financial Report

For the Year Ended August 31, 2013

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

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TEXAS HIGHER EDUCATION
COORDINATING BOARD

P.O. Box 12788 Austin, Texas 78711

Harold W. Hahn
CHAIR

Robert W. Jenkins, Jr.
VICE CHAIR

Dennis D. Golden, O.D.
SECRETARY OF THE BOARD

Alice Schneider
STUDENT REPRESENTATIVE

Fred W. Heldenfels IV
Christopher M. Huckabee
Janelle Shepard
David D. Teuscher, M.D.

Raymund A. Paredes
COMMISSIONER
OF HIGHER EDUCATION

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November 20, 2013

To: Honorable Rick Perry, Governor
Honorable Susan Combs, 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 08/31/2013, 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 Ken Martin, Director, Financial Planning and Reporting, at (512) 427-6173. Glenn Osher may be contacted at (512) 427-6174 for questions related to the Schedule of Expenditures of Federal Awards.

Enclosure

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TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT I
COMBINED BALANCE SHEET
GOVERNMENTAL FUNDS
For the Year Ended August 31, 2013

	GOVERNMENTAL FUND TYPES				
	General (Exhibit A-1)	Special Revenue (Exhibit B-1)	Debt Service (Exhibit C-1)	Permanent (Exhibit E-1)	TOTALS
ASSETS					
Current Assets:					
Cash:					
Shared Funds	$ 41,919.63	$ 433,889.94	$	$	$ 475,809.57
On Hand	100.00				100.00
In State Treasury	189,956,579.89	123,898,999.25	93,801,572.50	10,453,641.84	418,110,793.48
Legislative Appropriations	69,579,698.80				69,579,698.80
Receivable From:					
Accounts Receivable	152,751.76	332,724.84	356,185.56	1,559.54	843,221.70
Federal	8,109,776.47				8,109,776.47
Interest and Dividends (net of Allowance for Doubtful Accounts of $4,036,263.09)	19,632.03	8,843,368.64	60,924.96	2,795.92	8,926,721.55
Due From Other Agencies (Note 12)	10,458,202.89			584,264.57	11,042,467.46
Prepaid Items	65,495.55				65,495.55
Loans & Contracts (net of Allowance for Doubtful Accounts of $2,871,004.25)	3,552,083.01				3,552,083.01
Restricted:					
Loans & Contracts (net of Allowance for Doubtful Accounts of $17,242,526.81)	6,853,875.55	75,198,194.34			82,052,069.89
Total Current Assets	288,790,115.58	208,707,177.01	94,218,683.02	11,042,261.87	602,758,237.48
Non-Current Assets:					
Receivable From:					
Interest and Dividends (net of Allowance for Doubtful Accounts of $286,939.15)	195,399.29				195,399.29
Loans & Contracts (net of Allowance for Doubtful Accounts of $28,575,363.46)	35,354,201.70				35,354,201.70
Restricted:					
Receivable From:					
Interest and Dividends (net of Allowance for Doubtful Accounts of $39,886,350.06)		88,018,680.62			88,018,680.62
Loans & Contracts (net of Allowance for Doubtful Accounts of $171,616,419.98)	68,217,239.71	748,454,391.04			816,671,630.75
Total Non-Current Assets	103,766,840.70	836,473,071.66			940,239,912.36
TOTAL ASSETS	$ 392,556,956.28	$ 1,045,180,248.67	$ 94,218,683.02	$ 11,042,261.87	$ 1,542,998,149.84

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TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT I
COMBINED BALANCE SHEET
GOVERNMENTAL FUNDS
For the Year Ended August 31, 2013

	GOVERNMENTAL FUND TYPES				
	General (Exhibit A-1)	Special Revenue (Exhibit B-1)	Debt Service (Exhibit C-1)	Permanent (Exhibit E-1)	TOTALS
LIABILITIES AND FUND BALANCES					
Current Liabilities:					
Payables from:					
Accounts - Vendors	$ 211,204.05	$ 49,370.00	$	$	$ 260,574.05
Accounts - Grants and Loans	8,471,576.79	513,768.38		549,118.21	9,534,463.38
Payroll	1,558,580.51				1,558,580.51
Due To Other Agencies (Note 12)	2,763,498.51			173,519.35	2,937,017.86
Total Liabilities	13,004,859.86	563,138.38		722,637.56	14,290,635.80
FUND FINANCIAL STATEMENT-FUND BALANCES					
Fund Balances (Deficits):					
Nonspendable-Prepaid Items	65,495.55				65,495.55
Nonspendable-LT Contract and Receivables	35,549,600.99				35,549,600.99
Restricted	622,308.70	1,044,617,110.29	94,218,683.02		1,139,458,102.01
Committed	266,119,267.03			10,319,624.31	276,438,891.34
Assigned	107,890.36				107,890.36
Unassigned	77,087,533.79				77,087,533.79
Total Fund Balances	379,552,096.42	1,044,617,110.29	94,218,683.02	10,319,624.31	1,528,707,514.04
TOTAL LIABILITIES AND FUND BALANCES	$ 392,556,956.28	$ 1,045,180,248.67	$ 94,218,683.02	$ 11,042,261.87	$ 1,542,998,149.84

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 &
CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS
For the Year Ended August 31, 2013

	GOVERNMENTAL FUND TYPES				
	General (Exhibit A-2)	Special Revenue (Exhibit B-2)	Debt Service (Exhibit C-2)	Permanent (Exhibit E-2)	TOTALS
REVENUES					
Legislative Appropriations:					
Original Legislative Appropriation Revenue	$ 1,424,970,257.32	$	$	$	$ 1,424,970,257.32
Additional Legislative Appropriation Revenue	2,084,208.99				2,084,208.99
Tax Revenues	33,395,001.13				33,395,001.13
Federal Revenues	14,536,078.71	90,943.03	27,811.64		14,654,833.38
Federal Grant Pass-Through Revenues	28,193,429.69				28,193,429.69
State Grant Pass-Through Revenues	2,296,499.70				2,296,499.70
Licenses, Fees and Permits	2,324,200.40	8,155,544.59			10,479,744.99
Interest and Investment Income	380,329.06	51,975,496.20	925,888.98	2,231,351.47	55,513,065.71
Other Revenues	16,779,186.61				16,779,186.61
Total Revenues	1,524,959,191.61	60,221,983.82	953,700.62	2,231,351.47	1,588,366,227.52
EXPENDITURES					
Salaries & Wages	15,306,256.90				15,306,256.90
Payroll Related Costs	3,714,656.83				3,714,656.83
Professional Fees & Services	4,249,568.78	(291,115.62)		3,250.00	3,961,703.16
Travel	162,885.34	119.78			163,005.12
Materials & Supplies	782,932.73				782,932.73
Communication & Utilities	311,628.46				311,628.46
Repairs & Maintenance	109,003.03				109,003.03
Rentals & Leases	2,608,905.71				2,608,905.71
Printing & Reproduction	18,543.89				18,543.89
Federal Grant Pass-Through Expenditures	11,326,071.18				11,326,071.18
State Grant Pass-Through Expenditures	370,939,356.79	2,000.00		543,021.46	371,484,378.25
Intergovernmental Payments	1,048,221,685.58			2,314,541.85	1,050,536,227.43
Public Assistance Payments	9,269,836.61				9,269,836.61
Other Expenditures	53,224,624.89	11,870,608.08			65,095,232.97
Debt Service:					
Principal			58,525,000.00		58,525,000.00
Interest			34,446,295.24		34,446,295.24
Other Financing Fees		740,075.96			740,075.96
Capital Outlays	6,184.42				6,184.42
Total Expenditures	1,520,252,141.14	12,321,688.20	92,971,295.24	2,860,813.31	1,628,405,937.89
Excess (Deficiency) Of Revenues Over Expenditures	4,707,050.47	47,900,295.62	(92,017,594.62)	(629,461.84)	(40,039,710.37)

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TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT II
COMBINED STATEMENT OF REVENUES, EXPENDITURES &
CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS
For the Year Ended August 31, 2013

	GOVERNMENTAL FUND TYPES				
	General (Exhibit A-2)	Special Revenue (Exhibit B-2)	Debt Service (Exhibit C-2)	Permanent (Exhibit E-2)	TOTALS
OTHER FINANCING SOURCES (USES)					
Bond and Note Proceeds	$	$ 98,550,000.00	$	$	$ 98,550,000.00
Premium on Sale of Bonds		14,235,394.50			14,235,394.50
Appropriations Lapsed	(356,142.02)				(356,142.02)
Transfers In (Note 12)	71,881,376.52	42,145,744.15	108,402,779.83	3,273,338.12	225,703,238.62
Transfers Out (Note 12)	(48,811,159.70)	(118,854,929.60)	(40,997,985.37)		(208,664,074.67)
Total Other Financing Sources (Uses)	22,714,074.80	(77,123,790.95)	67,080,032.32	3,273,338.12	15,943,654.29
Net Change in Fund Balances\Net Assets	27,421,125.27	(29,223,495.33)	(24,937,562.30)	2,643,876.28	(24,096,056.08)
Fund Financial Statement-Fund Balances					
Fund Balances-September 1, 2012	352,130,971.15	1,073,840,605.62	119,156,245.32	7,675,748.03	1,552,803,570.12
FUND BALANCES - August 31, 2013	$ 379,552,096.42	$ 1,044,617,110.29	$ 94,218,683.02	$ 10,319,624.31	$ 1,528,707,514.04

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

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TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT VI
COMBINED STATEMENT OF FIDUCIARY NET ASSETS
For the Year Ended August 31, 2013

	Perm Endowment Fund - Baylor College of Medicine Fund (0823) U/F (0823)	Child Support Deds-Suspense Account Fund (0807) U/F (8070)	TOTALS
ASSETS			
Current Assets:			
Cash			
In State Treasury	$ 353,536.98	$ 2,291.60	$ 355,828.58
Receivables From			
Interest and Dividends	8.69		8.69
Total Current Assets	353,545.67	2,291.60	355,837.27
TOTAL ASSETS	353,545.67	2,291.60	355,837.27
LIABILITIES			
Current Liabilities:			
Payables from			
Accounts - Grants and Loans	353,545.67		353,545.67
Funds Held for Others		2,291.60	2,291.60
Total Current Liabilities	353,545.67	2,291.60	355,837.27
TOTAL LIABILITIES	353,545.67	2,291.60	355,837.27
NET ASSETS			
Held in trust for			
Individuals, Organizations, and Other Government	0.00	0.00	0.00
TOTAL NET ASSETS	$ 0.00	$ 0.00	$ 0.00

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 ASSETS
For the Year Ended August 31, 2013

	Perm Endowment Fund - Baylor College of Medicine Fund (0823) U/F (0823)
ADDITIONS	
Investment Income:	
From Investing Activities:	
Interest and Investment Income	$ 248.58
Total Investing Income	248.58
Net Income from Investing Activities	248.58
Other Additions:	
Transfers In (Note 12)	1,415,322.85
Total Other Additions	1,415,322.85
Total Additions	1,415,571.43
DEDUCTIONS	
Intergovernmental Payments	1,415,571.43
Total Deductions	1,415,571.43
NET INCREASE (DECREASE)	
Net Assets-September 1, 2012	0.00
NET ASSETS-August 31, 2013	$ 0.00

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. As of August 31, 2013, the THECB had several funds which were reported in other fund groups during prior years, but were later consolidated into the state's general fund as directed by the legislature. These consolidated funds include the following: B-On-Time Student Loan, Physician Loan Repayment, Collegiate License Plate Scholarships, Houston Livestock Show License Plate Scholarships, Girl Scouts License Plate Scholarships, Cotton Boll License Plate Scholarships, and Boy Scouts License Plate Scholarships.

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 during FY 2013 consisted 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 during FY 2013 consisted of the following: Texas College Student Loan Bonds Interest and Sinking Fund, and the Student Loan Revenue Bond Interest and Sinking Fund.

Permanent funds
Permanent funds are used to account for the proceeds of specific revenue sources that are legally restricted to use for specified purposes. The funds used by the THECB during FY 2013 consisted 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 during FY 2013 consisted 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 during FY 2013 consisted of the Baylor College of Medicine Permanent Endowment Fund.

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 ASSETS

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.

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 statement of net assets.

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 assets.

Deferred Revenues
Deferred 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 assets.

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.

FUND BALANCE/NET ASSETS

The difference between fund assets and liabilities is 'Net Assets' on the government-wide and fiduciary fund statements, and the 'Fund Balance' is the difference between fund assets and liabilities on the governmental fund statements.

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.

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

GASB 54 Note Disclosures:

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

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

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

D. There are no stabilization arrangements with THECB.

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

F. INTERFUND ACTIVITIES AND BALANCES

The THECB has the following types of transactions between funds:

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

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

GASB 54 Fund Balance classification by Purpose (as of August 31, 2013)

		Consolidated Funds								
		0001	0542	5015	5034	5052	5103	5119	5126	5140
Fund balances		General Fund	Physicians Loan Repay	License Plate Scholarships	Houston Rodeo Scholarships	Girl Scout Scholarships	B-On-Time	Cotton Boll Scholarships	Boy Scout Scholarships	College for TX Scholarships
Nonspendable - Prepaids										
Hinson-Hazlewood Loan Program	$	65,495.55								
Nonspendable - LT Contract and Receivables										
Armed Services Scholarships		1,688,560.65								
Student Financial Aid Programs		31,926,198.13								
Teach for Texas Programs		1,934,842.21								
Restricted:										
Close The Gaps		31,471.20								
Debt Service										
Federal Programs		223,000.00								
Operating & Support		24,173.45								
Physician - LRP		251,389.00								
Student Loans										
TX HE Res Ctr Adm-Houston End		92,275.05								
Committed:										
Baylor CM Permanent Health Fun										
Close The Gaps		342,878.19								
License Plate Scholarships				14,333.55	1,749.75	148.49		2,537.56	450.99	1,550.94
Minority Health Research/Ed										
Nursing & Allied Health										
Physician - LRP		666,900.00								
Physician Education Loan Repay			16,000.00							
Promote Participation & Success		372,156.44								
Student Financial Aid Programs							181,632,822.03			
Assigned:										
Conferences		107,790.36								
Petty Cash		100.00								
Unassigned:										
ABE Community College Grants		3,213,533.99								
Advanced Research Program		254,186.51								
Advise Texas		41,082.70								
Alzhimer's Disease Center		9,487.87								
Armed Services Scholarships		2,987,076.92								
Central Administration		28,150.02								
Close The Gaps		255,816.88								
College Readiness Initiatives		2,218,575.40								
Developmental Ed Program		3,196,692.00								
Doctoral Incentive Program		36,608.70								
Engineering Recruitment Prog		7,500.00								
ETEP Graduate Medical Education		119,975.62								
Family Practice Residency		7,750,000.00								
Finanical Aid for Prof Nursing		1,497.51								
Hinson-Hazlewood Loan Program		193,096.96								
Info Research Tech-Indirect		119,998.83								
OAG Attorney – LRP		6,851.18								
Operating & Support		153,865.97								
Prof Nursing Shortage Reduction		2,403,626.18								
Student Financial Aid Programs		43,929,992.02								
Teach for Texas Programs		216,896.53								
Top 10% Scholarships		567,246.00								
T-STEM Scholarship		105,423.00								
Centers for Teacher Education		20,353.00								
Graduate Medical Education		9,250,000.00								
Grand Total	$	114,814,764.02	16,000.00	14,333.55	1,749.75	148.49	181,632,822.03	2,537.56	450.99	1,550.94

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

GASB 54 Fund Balance classification by Purpose (as of August 31, 2013)

	Special Revenue Funds			Permanent Funds			Debt Service Funds	
5144	**0387**	**0601**	**1697**	**0810**	**0824**	**0825**	**0388**	
Physician Ed Loan Repay	Texas Opportunity Fund	Student Loan Auxiliary Fund	Revenue Bond Student Loan Fund	Baylor COM Perm Health Fund	Nursing Allied Health	Minority Health Research/Edu	GO Bond Fund	Total
								$ 65,495.55
								1,688,560.65
								31,926,198.13
								1,934,842.21
								31,471.20
							94,218,683.02	94,218,683.02
								223,000.00
								24,173.45
								251,389.00
	201,300,698.57	841,279,296.03	2,037,115.69					1,044,617,110.29
								92,275.05
				7.65				7.65
								342,878.19
								20,771.28
						4,293,628.53		4,293,628.53
					6,025,988.13			6,025,988.13
83,067,739.09								83,734,639.09
								16,000.00
								372,156.44
								181,632,822.03
								107,790.36
								100.00
								3,213,533.99
								254,186.51
								41,082.70
								9,487.87
								2,987,076.92
								28,150.02
								255,816.88
								2,218,575.40
								3,196,692.00
								36,608.70
								7,500.00
								119,975.62
								7,750,000.00
								1,497.51
								193,096.96
								119,998.83
								6,851.18
								153,865.97
								2,403,626.18
								43,929,992.02
								216,896.53
								567,246.00
								105,423.00
								20,353.00
								9,250,000.00
83,067,739.09	201,300,698.57	841,279,296.03	2,037,115.69	7.65	6,025,988.13	4,293,628.53	94,218,683.02	$ 1,528,707,514.04

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, 2013, is presented below:

	PRIMARY GOVERNMENT			
	Balance 9/1/2012	Additions	Deletions	Balance 8/31/2013
GOVERNMENTAL ACTIVITIES				
Depreciable Assets				
Furniture and Equipment	801,382.42	6,184.42	(13,960.32)	793,606.52
Total Depreciable Assets	801,382.42	6,184.42	(13,960.32)	793,606.52
Less Accumulated Depreciation for:				
Furniture and Equipment	(724,276.71)	(47,566.37)	13,009.72	(758,833.36)
Total Accumulated Depreciation	(724,276.71)	(47,566.37)	13,009.72	(758,833.36)
Depreciable Assets, Net	77,105.71	(41,381.95)	(950.60)	34,773.16
Governmental Activities Capital Assets, Net	$ 77,105.71	$ (41,381.95)	$ (950.60)	$ 34,773.16

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, 2013, the following changes occurred in liabilities:

Governmental Activities	Balance 09/01/2012	Additions	Reductions	Other Changes	Balance 08/31/2013	Amounts Due Within One Year
General Obligation Bonds Payable	$860,377,344.47	$98,550,000.00	($171,725,000.00)	$9,164,459.44	$796,366,803.91	$59,913,886.87
Compensable Leave	1,646,869.89	1,180,013.93	(1,189,902.71)		1,636,981.11	901,034.17
Total Governmental Activities	$862,024,214.36	$99,730,013.93	(172,914,902.71)	9,164,459.44	$798,003,785.02	$60,814,921.04

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 Assets. 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.

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, and Schedule 2-F – Early Extinguishment and Refunding.

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, 2013, bonds payable consisted of thirteen general obligation issues for student loans totaling $751,925,000. Bond issue dates for all College Student Bonds range from June 28, 2007 to June 5, 2013.

The Texas Constitution limits the amount of bonds that can be issued by the THECB. As of August 31, 2013 the authorized but unissued bonds totaled $1,383,565,152.00 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 2013, the THECB did not sell any new-money bonds.

B. EARLY EXTINGUISHMENT

During FY 2013, the THECB sold $98,550,000.00 State of Texas College Student Loan Refunding Bonds, Series 2013A. They were issued as General Obligation Bonds, with a delivery date of June 5th, 2013. The proceeds from the Series 2013A Refunding Bonds were used to refund the 2014-2023 maturities of the State of Texas College Student Loan Bonds, Series 1999 in the aggregate principal amount of $9,545,000, the 2038 maturity of the State of Texas Variable Rate College Student Loan and Refunding Bonds, Series 2003 in the aggregate principal amount of $75,000,000, the 2014 and 2016 maturities of the State of Texas Variable Rate College Student Loan and Refunding Bonds, Series 2004 in the aggregate principal amount of $10,540,000, and the 2014, 2016, and 2017 maturities of the State of Texas Variable Rate College Student Loan and Refunding Bonds, Series 2006 in the aggregate principal amount of $18,115,000. The refunding closed on June 5th, 2013. The proceeds of the issue included a Net Original Issue Premium of $14,235,394.50. Costs of Issuance totaled $425,986.55, and were paid out of funds on hand. THECB realized an economic gain of $12,890,600.01 on this refunding transaction. The change in net cash flows that resulted was an increase of $324,762.15.

NOTE 7: DERIVATIVE INSTRUMENTS

Not Applicable.

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	1,410,852.50

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
2014	1,445,643.26
2015	1,445,643.26
2016	1,445,643.26
2017	1,445,643.26
2018	1,445,643.26
2019-2020	2,891,286.52
Total minimum future lease rental payments	$10,119,502.83

NOTE 9: PENSION PLANS

Not Applicable.

NOTE 10: DEFERRED COMPENSATION

Not Applicable.

NOTE 11: POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

Not Applicable.

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, 2013, were as follows:

Interagency Balances:	Due From Other Agencies	Due To Other Agencies
GOVERNMENTAL FUNDS:		
GENERAL FUND:		
Fund 0001:	$ 10,420,326.87	$ 2,721,578.88
Fund 5015:	17,496.53	
Fund 5103:	18,221.74	25,269.13
Fund 5140:	2,157.75	
Fund 5144		16,650.50
SPECIAL REVENUE FUND:		
Fund 0810:	549,118.21	
Fund 0824:	35,146.36	58,150.06
Fund 0825:		115,369.29
Total Due From/Due To Other Agencies (Exh I)	$ 11,042,467.46	$ 2,937,017.86

Operating Transfers:	Transfers In	Transfers Out
GOVERNMENTAL FUNDS:		
GENERAL FUND:		
Fund 0001:	$ 12,943,384.56	$ 47,610,175.93
Fund 5103:	58,574,084.39	1,200,983.77
Fund 5144:	363,907.57	
SPECIAL REVENUE FUND:		
Fund 0387:	34,881,840.56	28,700,588.20
Fund 0601:	7,263,903.59	89,587,624.59
Fund 0697:		566,716.81
DEBT SERVICE FUND:		
Fund 0388:	108,402,779.83	40,991,000.00
Fund 0697:		6,985.37
PERMANENT FUND:		
Fund 0824:	2,103,741.84	
Fund 0825:	1,169,596.28	
Total Operating Transfers In/Out (Exh II)	$ 225,703,238.62	$ 208,664,074.67
FIDUCIARY FUNDS:		
PRIVATE PURPOSE TRUST FUND		
Fund 0823:	1,415,322.85	
Total Transfers In/Out (Exh VII)	$ 1,415,322.85	$

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 ASSETS

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 $265,266.03 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

On October 23, 2013, the THECB issued Series 2013B bonds with a par amount of $113,740,000. A net premium of $13,679,150.80 was received on the transaction.

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. Currently there is no purchase of commercial insurance.

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 2013 was $26,377.94. 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 2013 were $28,135.75.

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.

NOTE 18: MANAGEMENT DISCUSSION AND ANALYSIS

The THECB issued one refunding bond series in FY 2013 for a total par value of $98,550,000.00. For details related to this bond series, please refer to Note 6 – Bonded Indebtedness within the Notes to the Financial Statements.

NOTE 19: THE FINANCIAL REPORTING ENTITY

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: SEGMENT INFORMATION

Not Applicable.

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT A-1
COMBINING BALANCE SHEET
ALL GENERAL AND CONSOLIDATED FUNDS
For the Year Ended August 31, 2013

	General (0001) (Note A)	Physicians Loan Repay (0542) U/F (0542)	License Plate Scholar (5015) U/F (5015)	Houston Rodeo Scholar (5034) U/F (5034)	Girl Scout License Plates (5052) U/F (5052)
ASSETS					
Current Assets:					
Cash:					
Shared Funds	$	$	$	$	$
On Hand	100.00				
In State Treasury		16,000.00		1,905.58	214.49
Legislative Appropriations	69,579,698.80				
Receivable From:					
Accounts Receivable	152,751.76				
Federal	8,109,776.47				
Interest and Dividends (net of Allowance for Doubtful Accounts of $57,496.98)	19,632.03				
Due From Other Agencies (Note 12)	10,420,326.87		17,496.53		
Prepaid Items	65,495.55				
Loans & Contracts (net of Allowance for Doubtful Accounts of $2,871,004.25)	3,552,083.01				
Restricted					
Loans & Contracts (net of Allowance for Doubtful Accounts of $6,081,275.29)					
Total Current Assets	91,899,864.49	16,000.00	17,496.53	1,905.58	214.49
Non-Current Assets:					
Receivable From:					
Interest and Dividends (net of Allowance for Doubtful Accounts of $286,939.15)	195,399.29				
Loans & Contracts (net of Allowance for Doubtful Accounts of $28,575,363.46)	35,354,201.70				
Restricted:					
Loans & Contracts (net of Allowance for Doubtful Accounts of $60,527,479.90)					
Total Non-Current Assets	35,549,600.99				
TOTAL ASSETS	$ 127,449,465.48	$ 16,000.00	$ 17,496.53	$ 1,905.58	$ 214.49

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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, 2013

Consolidated Funds					
Texas B-On-Time (5103) U/F (5103)	Cotton Boll License Plates (5119) U/F (5119)	Boy Scout License Plates (5126) U/F (5126)	College for TX License Plates (5140) U/F (5140)	Physician Ed LRP (5144) U/F (5144)	TOTALS (Exhibit I)
$ 25,269.13	$	$	$	$ 16,650.50	$ 41,919.63
					100.00
106,867,187.69	2,884.05	648.99		83,067,739.09	189,956,579.89
					69,579,698.80
					152,751.76
					8,109,776.47
					19,632.03
18,221.74			2,157.75		10,458,202.89
					65,495.55
					3,552,083.01
6,853,875.55					6,853,875.55
113,764,554.11	2,884.05	648.99	2,157.75	83,084,389.59	288,790,115.58
					195,399.29
					35,354,201.70
68,217,239.71					68,217,239.71
68,217,239.71					103,766,840.70
$ 181,981,793.82	$ 2,884.05	$ 648.99	$ 2,157.75	$ 83,084,389.59	$ 392,556,956.28

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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, 2013

	General (0001) (Note A)	Physicians Loan Repay (0542) U/F (0542)	License Plate Scholar (5015) U/F (5015)	Houston Rodeo Scholar (5034) U/F (5034)	Girl Scout License Plates (5052) U/F (5052)
LIABILITIES AND FUND BALANCES					
Current Liabilities:					
Payables from:					
Accounts - Vendors	$ 211,204.05	$	$	$	$
Accounts - Grants and Loans	8,143,338.02		3,162.98	155.83	66.00
Payroll	1,558,580.51				
Due To Other Agencies (Note 12)	2,721,578.88				
Total Liabilities	12,634,701.46		3,162.98	155.83	66.00
FUND FINANCIAL STATEMENT-FUND BALANCES					
Fund Balances (Deficits):					
Nonspendable-Prepaid Items	65,495.55				
Nonspendable-LT Contract and Receivables	35,549,600.99				
Restricted	622,308.70				
Committed	1,381,934.63	16,000.00	14,333.55	1,749.75	148.49
Assigned	107,890.36				
Unassigned	77,087,533.79				
Total Fund Balances	114,814,764.02	16,000.00	14,333.55	1,749.75	148.49
TOTAL LIABILITIES AND FUND BALANCES	$ 127,449,465.48	$ 16,000.00	$ 17,496.53	$ 1,905.58	$ 214.49

Note A: Includes USAS fund numbers 0001, 0002, and 0369.

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, 2013

Consolidated Funds					
Texas B-On-Time (5103) U/F (5103)	Cotton Boll License Plates (5119) U/F (5119)	Boy Scout License Plates (5126) U/F (5126)	College for TX License Plates (5140) U/F (5140)	Physician Ed LRP (5144) U/F (5144)	TOTALS (Exhibit I)
$	$	$	$	$	$ 211,204.05
323,702.66	346.49	198.00	606.81		8,471,576.79
					1,558,580.51
25,269.13				16,650.50	2,763,498.51
348,971.79	346.49	198.00	606.81	16,650.50	13,004,859.86
					65,495.55
					35,549,600.99
					622,308.70
181,632,822.03	2,537.56	450.99	1,550.94	83,067,739.09	266,119,267.03
					107,890.36
					77,087,533.79
181,632,822.03	2,537.56	450.99	1,550.94	83,067,739.09	379,552,096.42
$ 181,981,793.82	$ 2,884.05	$ 648.99	$ 2,157.75	$ 83,084,389.59	$ 392,556,956.28

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TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT A-2
COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES-ALL GENERAL AND CONSOLIDATED FUNDS
For the Year Ended August 31, 2013

		Consolidated Funds			
	General (0001) (Note A)	Physicians Loan Repay (0542) U/F (0542)	License Plate Scholar (5015) U/F (5015)	Houston Rodeo Scholar (5034) U/F (5034)	Girl Scout License Plates (5052) U/F (5052)
REVENUES					
Legislative Appropriations:					
Original Legislative Appropriation Revenue	$ 1,424,970,257.32	$	$	$	$
Additional Legislative Appropriation Revenue	2,084,208.99				
Tax Revenues					
Federal Revenues	14,536,078.71				
Federal Grant Pass-Through Revenues	28,193,429.69				
State Grant Pass-Through Revenues	2,296,499.70				
Licenses, Fees and Permits	698,468.36		68,114.68	6,766.69	2,260.48
Interest and Investment Income	(2,425.74)				
Other Revenues	16,779,186.61				
Total Revenues	1,489,555,703.64		68,114.68	6,766.69	2,260.48
EXPENDITURES					
Salaries & Wages	15,306,256.90				
Payroll Related Costs	3,714,656.83				
Professional Fees & Services	4,249,568.78				
Travel	162,885.34				
Materials & Supplies	782,932.73				
Communication & Utilities	311,628.46				
Repairs & Maintenance	109,003.03				
Rentals & Leases	2,608,905.71				
Printing & Reproduction	18,543.89				
Federal Grant Pass-Through Expenditures	11,326,071.18				
State Grant Pass-Through Expenditures	370,939,356.79				
Intergovernmental Payments	1,048,080,710.18		140,975.40		
Public Assistance Payments	4,551,405.51			8,642.14	2,920.44
Other Expenditures	14,175,523.72				
Capital Outlays	6,184.42				
Total Expenditures	1,476,343,633.47		140,975.40	8,642.14	2,920.44
Excess (Deficiency) Of Revenues Over Expenditures	13,212,070.17		(72,860.72)	(1,875.45)	(659.96)

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, 2013

Consolidated Funds					
Texas B-On-Time (5103) U/F (5103)	Cotton Boll License Plates (5119) U/F (5119)	Boy Scout License Plates (5126) U/F (5126)	College for TX License Plates (5140) U/F (5140)	Physician Ed LRP (5144) U/F (5144)	TOTALS (Exhibit II)
$	$	$	$	$	$ 1,424,970,257.32
					2,084,208.99
				33,395,001.13	33,395,001.13
					14,536,078.71
					28,193,429.69
					2,296,499.70
1,514,254.05	13,695.13	7,919.83	12,721.18		2,324,200.40
175,312.53				207,442.27	380,329.06
					16,779,186.61
1,689,566.58	13,695.13	7,919.83	12,721.18	33,602,443.40	1,524,959,191.61
					15,306,256.90
					3,714,656.83
					4,249,568.78
					162,885.34
					782,932.73
					311,628.46
					109,003.03
					2,608,905.71
					18,543.89
					11,326,071.18
					370,939,356.79
					1,048,221,685.58
	16,811.71	10,002.47	14,464.63	4,665,589.71	9,269,836.61
39,049,101.17					53,224,624.89
					6,184.42
39,049,101.17	16,811.71	10,002.47	14,464.63	4,665,589.71	1,520,252,141.14
(37,359,534.59)	(3,116.58)	(2,082.64)	(1,743.45)	28,936,853.69	4,707,050.47

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, 2013

		Consolidated Funds			
	General (0001) (Note A)	Physicians Loan Repay (0542) U/F (0542)	License Plate Scholar (5015) U/F (5015)	Houston Rodeo Scholar (5034) U/F (5034)	Girl Scout License Plates (5052) U/F (5052)
OTHER FINANCING SOURCES (USES)					
Appropriations Lapsed	$ (356,142.02)	$	$	$	$
Transfers In (Note 12)	12,943,384.56				
Transfers Out (Note 12)	(47,610,175.93)				
Total Other Financing Sources (Uses)	(35,022,933.39)				
Net Change in Fund Balances\Net Assets	(21,810,863.22)		(72,860.72)	(1,875.45)	(659.96)
Fund Financial Statement-Fund Balances					
Fund Balances-September 1, 2012	136,625,627.24	16,000.00	87,194.27	3,625.20	808.45
FUND BALANCES - August 31, 2013	$ 114,814,764.02	$ 16,000.00	$ 14,333.55	$ 1,749.75	$ 148.49

Note A: Includes USAS fund numbers 0001, 0002, and 0369.

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, 2013

Consolidated Funds					
Texas B-On-Time (5103) U/F (5103)	Cotton Boll License Plates (5119) U/F (5119)	Boy Scout License Plates (5126) U/F (5126)	College for TX License Plates (5140) U/F (5140)	Physician Ed LRP (5144) U/F (5144)	TOTALS (Exhibit II)
$	$	$	$	$	$ (356,142.02)
58,574,084.39				363,907.57	71,881,376.52
(1,200,983.77)					(48,811,159.70)
57,373,100.62				363,907.57	22,714,074.80
20,013,566.03	(3,116.58)	(2,082.64)	(1,743.45)	29,300,761.26	27,421,125.27
161,619,256.00	5,654.14	2,533.63	3,294.39	53,766,977.83	352,130,971.15
$ 181,632,822.03	$ 2,537.56	$ 450.99	$ 1,550.94	$ 83,067,739.09	$ 379,552,096.42

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT B-1
COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS
For the Year Ended August 31, 2013

	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	$ 433,889.94	$	$	$ 433,889.94
In State Treasury	71,708,944.31	52,102,146.03	87,908.91	123,898,999.25
Receivables from:				
Accounts Receivable	331,181.12	1,543.72		332,724.84
Interest and Dividends	1,529,139.82	7,297,967.28	16,261.54	8,843,368.64
(Less Allowance for Doubtful Accounts of ($3,978,766.11)				
Due From Other Agencies (Note 12)				
Restricted:				
Loans and Contracts	10,272,163.46	64,764,332.89	161,697.99	75,198,194.34
(Less Allowance for Doubtful Accounts of ($11,161,251.52)				
Total Current Assets	84,275,318.65	124,165,989.92	265,868.44	208,707,177.01
Non-Current Assets:				
Restricted:				
Receivable from:				
Interest and Dividends	15,219,503.10	72,637,324.92	161,852.60	88,018,680.62
(Less Allowance for Doubtful Accounts of ($39,601,016.62)				
Loans and Contracts	102,239,766.76	644,605,229.63	1,609,394.65	748,454,391.04
(Less Allowance for Doubtful Accounts of ($111,088,940.08)				
Total Non-Current Assets	117,459,269.86	717,242,554.55	1,771,247.25	836,473,071.66
TOTAL ASSETS	$ 201,734,588.51	$ 841,408,544.47	$ 2,037,115.69	$ 1,045,180,248.67
LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Payables from:				
Accounts - Vendors	$	$ 49,370.00	$	$ 49,370.00
Accounts - Grants and Loans	433,889.94	79,878.44		513,768.38
Total Liabilities	433,889.94	129,248.44		563,138.38
FUND FINANCIAL STATEMENT-FUND BALANCES				
FUND BALANCES (DEFICITS):				
Restricted	201,300,698.57	841,279,296.03	2,037,115.69	1,044,617,110.29
Total Fund Balances	201,300,698.57	841,279,296.03	2,037,115.69	1,044,617,110.29
TOTAL LIABILITIES AND FUND BALANCES	$ 201,734,588.51	$ 841,408,544.47	$ 2,037,115.69	$ 1,045,180,248.67

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, 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, 2013

	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	$ 20,284.82	$ 69,469.67	$ 1,188.54	$ 90,943.03
Licenses, Fees & Permits	906,366.53	7,229,182.80	19,995.26	8,155,544.59
Interest and Investment Income	10,551,904.49	41,166,601.13	256,990.58	51,975,496.20
Total Revenues	11,478,555.84	48,465,253.60	278,174.38	60,221,983.82
EXPENDITURES				
Professional Fees & Services		(291,115.62)		(291,115.62)
Travel		119.78		119.78
State Grant Pass-Through Expenditures	2,000.00			2,000.00
Other Expenditures	4,930,298.09	6,803,235.73	137,074.26	11,870,608.08
Other Financing Fees		740,075.96		740,075.96
Total Expenditures	4,932,298.09	7,252,315.85	137,074.26	12,321,688.20
Excess (Deficiency) of Revenues Over Expenditures	6,546,257.75	41,212,937.75	141,100.12	47,900,295.62
OTHER FINANCING SOURCES (USES)				
Bond and Note Proceeds		98,550,000.00		98,550,000.00
Premium on Sale of Bonds		14,235,394.50		14,235,394.50
Payment to Escrow for Refunding Debt		(113,200,000.00)		(113,200,000.00)
Transfers In (Note 12)	34,881,840.56	7,263,903.59		42,145,744.15
Transfers Out (Note 12)	(28,700,588.20)	(89,587,624.59)	(566,716.81)	(118,854,929.60)
Total Other Financing Sources (Uses)	6,181,252.36	(82,738,326.50)	(566,716.81)	(77,123,790.95)
Net Change in Fund Balances\Net Assets	12,727,510.11	(41,525,388.75)	(425,616.69)	(29,223,495.33)
Fund Financial Statement-Fund Balances				
Fund Balances-September 1, 2012	188,573,188.46	882,804,684.78	2,462,732.38	1,073,840,605.62
FUND BALANCES - August 31, 2013	$ 201,300,698.57	$ 841,279,296.03	$ 2,037,115.69	$ 1,044,617,110.29

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, 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, 2013

	GO Bond Fund (0388) (Note A)	Revenue Bond Fund (0697) U/F (0697)	TOTALS (Exhibit I)
ASSETS			
Current Assets:			
Cash			
In State Treasury	$ 93,801,572.50	$	$ 93,801,572.50
Receivables from:			
Accounts Receivable	356,185.56		356,185.56
Interest and Dividends	60,924.96		60,924.96
Total Current Assets	94,218,683.02		94,218,683.02
TOTAL ASSETS	$ 94,218,683.02	$	$ 94,218,683.02
LIABILITIES AND FUND BALANCES			
Total Liabilities			
FUND FINANCIAL STATEMENT-FUND BALANCES			
FUND BALANCES (DEFICITS):			
Restricted	94,218,683.02		94,218,683.02
Total Fund Balances	94,218,683.02		94,218,683.02
Total Liabilities and Fund Balances	$ 94,218,683.02	$	$ 94,218,683.02

Note A: Includes USAS fund numbers 0388, 1388, 2388, 3388, 3800, 3801, 3802, 3803, 3804, 3806, 3807, 3808, 3809, 3810, 3811, 3812, 3886, 3887, 4388, 5388, 6388, 7388, 3888, 3889, 3880, 3881, 3882, 3883, 3884 and 3885.

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, 2013

	GO Bond Fund (0388) (Note A)	Revenue Bond Fund (0697) U/F (0697)	TOTALS (Exhibit II)
REVENUES			
Federal Revenues	27,811.64		27,811.64
Interest and Investment Income	$ 925,888.98	$	$ 925,888.98
Total Revenues	953,700.62		953,700.62
EXPENDITURES			
Debt Service:			
Principal	58,525,000.00		58,525,000.00
Interest	34,446,295.24		34,446,295.24
Total Expenditures	92,971,295.24		92,971,295.24
Excess (Deficiency) Of Revenues Over Expenditures	(92,017,594.62)		(92,017,594.62)
OTHER FINANCING SOURCES (USES)			
Payment to Escrow for Refunding Debt	(324,762.14)		(324,762.14)
Transfers In (Note 12)	108,402,779.83		108,402,779.83
Transfers Out (Note 12)	(40,991,000.00)	(6,985.37)	(40,997,985.37)
Total Other Financing Sources (Uses)	67,087,017.69	(6,985.37)	67,080,032.32
Net Change in Fund Balances\Net Assets	(24,930,576.93)	(6,985.37)	(24,937,562.30)
FUND BALANCES (DEFICITS):			
Fund Balances-September 1, 2012	119,149,259.95	6,985.37	119,156,245.32
FUND BALANCES - August 31, 2013	$ 94,218,683.02	$	$ 94,218,683.02

Note A: Includes USAS fund numbers 0388, 1388, 2388, 3388, 3800, 3801, 3802, 3803, 3804, 3806, 3807, 3808, 3809, 3810, 3811, 3812, 3886, 3887, 4388, 5388, 6388, 7388, 3888, 3889, 3880, 3881, 3882, 3883, 3884 and 3885.

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, 2013

	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	$	$ 6,045,822.08	$ 4,407,819.76	$ 10,453,641.84
Receivable From:				
Accounts Receivable		1,559.54		1,559.54
Interest & Dividends	7.65	1,610.21	1,178.06	2,795.92
Due From Other Agencies (Note 12)	549,118.21	35,146.36		584,264.57
Total Current Assets	549,125.86	6,084,138.19	4,408,997.82	11,042,261.87
TOTAL ASSETS	$ 549,125.86	$ 6,084,138.19	$ 4,408,997.82	$ 11,042,261.87
LIABILITIES AND FUND BALANCES				
Liabilities				
Current Liabilities:				
Accounts - Grants and Loans	$ 549,118.21	$	$	$ 549,118.21
Due To Other Agencies (Note 12)		58,150.06	115,369.29	173,519.35
Total Liabilities	549,118.21	58,150.06	115,369.29	722,637.56
FUND FINANCIAL STATEMENT-FUND BALANCES				
FUND BALANCES (DEFICITS):				
Committed	7.65	6,025,988.13	4,293,628.53	10,319,624.31
Total Fund Balances	7.65	6,025,988.13	4,293,628.53	10,319,624.31
TOTAL LIABILITIES AND FUND BALANCES	$ 549,125.86	$ 6,084,138.19	$ 4,408,997.82	$ 11,042,261.87

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, 2013

	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	$ 2,196,474.13	$ 19,591.78	$ 15,285.56	$ 2,231,351.47
Total Revenues	2,196,474.13	19,591.78	15,285.56	2,231,351.47
EXPENDITURES				
Professional Fees & Services		3,250.00		3,250.00
State Grant Pass-Through Expenditures		287,810.17	255,211.29	543,021.46
Intergovernmental Payments	2,196,468.36	118,073.49		2,314,541.85
Total Expenditures	2,196,468.36	409,133.66	255,211.29	2,860,813.31
Excess (Deficiency) of Revenues Over Expenditures	5.77	(389,541.88)	(239,925.73)	(629,461.84)
OTHER FINANCING SOURCES (USES)				
Transfers In (Note 12)		2,103,741.84	1,169,596.28	3,273,338.12
Total Other Financing Sources (Uses)		2,103,741.84	1,169,596.28	3,273,338.12
Net Change in Fund Balances\Net Assets	5.77	1,714,199.96	929,670.55	2,643,876.28
Fund Financial Statement-Fund Balances				
Fund Balances-September 1, 2012	1.88	4,311,788.17	3,363,957.98	7,675,748.03
FUND BALANCES - August 31, 2013	$ 7.65	$ 6,025,988.13	$ 4,293,628.53	$ 10,319,624.31

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, 2013

UNAPPROPRIATED RECEIPTS Child Support Deds-Suspense Fund (0807) (U/F 8070)	Balance September 1, 2012	Additions	Deductions	Ending Balance August 31, 2013
ASSETS				
Current Assets:				
Cash in State Treasury	$ 1,695.97	$ 32,385.47	$ 31,789.84	$ 2,291.60
TOTAL ASSETS	$ 1,695.97	$ 32,385.47	$ 31,789.84	$ 2,291.60
LIABILITIES				
Current Liabilities:				
Funds Held for Others	$ 1,695.97	$ 32,385.47	$ 31,789.84	$ 2,291.60
TOTAL LIABILITIES	$ 1,695.97	$ 32,385.47	$ 31,789.84	$ 2,291.60

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, 2013

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	CFDA Number	Identifying Number	Pass-Through From Agy/ Univ #	Pass-Through From Agencies or Univ Amount	Pass-Through From Non-State Entities Amount
				$	$
U.S. Dept. of Education					
Direct Programs:					
Leveraging Educational Assistance Partnership	84.069				
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					
Angelo State University					
University of Texas - Permian Basin					
University of Texas - San Antonio					
University of Texas - Brownsville					
University of Texas at Tyler					
Texas A&M University - Commerce					
University of North Texas					
Sam Houston State University					
Texas State University					
West Texas A&M University					
University of Houston - Clear Lake					
Texas A&M University - Corpus Christi					
University of Houston - Victoria					
University of Houston - Downtown					
Other Non-State Entities					
College Access Challenge Grant Program	84.378				
State Agency Administration					
Pass-Through To:					
Texas A&M University					
University of Texas - Arlington					
Texas State Technical College System					
Univeristy of Texas at Austin					
University of Texas - El Paso					
University of Houston					
Texas Woman's University					
Texas Tech University					
University of Texas - Pan American					
University of Texas - Dallas					
University of Texas - Brownsville					
University of Texas at Tyler					
Texas A&M University - Commerce					
University of North Texas					
Texas State University - San Marcos					
Stephen F Austin State University					
West Texas A&M University					
Texas A&M International University					
University of Houston - Victoria					
Univ of North Texas at Dallas					
University of Houston - Downtown					
Other Non-State Entities					
Pass-Through From:					
Texas Education Agency					
Vocational Education-Basic Grants	84.048		701	28,019,755.07	
State Agency Administration					
Pass-Through To:					
Texas State Technical College					
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, 2013

Direct Program Amount	Total PT From & Direct Program	Pass-Through To Agy/ Univ #	State Agy or Univ Amount	Non-State Entities Amount	Expenditures Amount	Total PT To & Expenditures
$	$		$	$	$	$
(316.91)	(316.91)			(316.91)		(316.91)
5,254,615.49	5,254,615.49					0.00
					278,110.71	278,110.71
		711	133,410.52			133,410.52
		714	117,918.64			117,918.64
		724	246,434.66			246,434.66
		730	583,894.30			583,894.30
		731	156,748.80			156,748.80
		734	73,341.00			73,341.00
		737	103,875.41			103,875.41
		742	123,930.00			123,930.00
		743	113,388.00			113,388.00
		747	228,703.59			228,703.59
		750	151,308.96			151,308.96
		751	304,482.52			304,482.52
		752	457,116.20			457,116.20
		753	31,032.72			31,032.72
		754	117,197.87			117,197.87
		757	29,924.00			29,924.00
		759	105,472.39			105,472.39
		760	103,404.70			103,404.70
		765	0.02			0.02
		784	101,456.24			101,456.24
				1,693,464.24		1,693,464.24
9,771,322.53	9,771,322.53					0.00
					1,906,963.26	1,906,963.26
		711	1,830,057.26			1,830,057.26
		714	20,608.30			20,608.30
		719	157,961.17			157,961.17
		721	880,050.09			880,050.09
		724	193,783.89			193,783.89
		730	148,286.10			148,286.10
		731	182,163.61			182,163.61
		733	136,008.74			136,008.74
		736	260,164.94			260,164.94
		738	(14.37)			(14.37)
		747	11,249.78			11,249.78
		750	33,236.80			33,236.80
		751	200,421.02			200,421.02
		752	36,291.52			36,291.52
		754	515,340.32			515,340.32
		755	87,228.99			87,228.99
		757	45,944.11			45,944.11
		761	15,553.86			15,553.86
		765	2,000.00			2,000.00
		773	7,081.98			7,081.98
		784	225,465.80			225,465.80
				2,875,475.36		2,875,475.36
(645,634.67)	27,374,120.40					0.00
					746,091.15	746,091.15
		719	2,269,009.40			2,269,009.40
		787	293,280.00			293,280.00

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 1-A
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2013

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	CFDA Number	Identifying Number	Pass-Through From Agy/ Univ #	Pass-Through From Agencies or Univ Amount	Pass-Through From Non-State Entities Amount
				$	$
Lamar University - Port Arthur					
Lamar University Institute of Technology					
Other Non-State Entities					
Robert C. Byrd Honors Scholarships	84.185		701	(4,875.00)	
Tech Prep Education	84.243		701	(315.89)	
Pass-Through To:					
Texas State Technical College					
RAND - IES Administration	84.305H				
Statewide Longitudinal Data System	84.372		701	186,691.10	
Grants					
Total U.S. Dept. of Education				28,201,255.28	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 Youth Activities	17.259		320	(7,825.59)	
Total U.S. Dept. of Labor				(7,825.59)	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				$ 28,193,429.69	$ 0.00

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TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 1-A
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2013

Direct Program Amount	Total PT From & Direct Program	Pass-Through To Agy/ Univ #	Pass-Through To State Agy or Univ Amount	Pass-Through To Non-State Entities Amount	Expenditures Amount	Total PT To & Expenditures
$	$		$	$	$	$
		788	150,446.81			150,446.81
		789	349,552.00			349,552.00
				23,565,741.04		23,565,741.04
	(4,875.00)			(4,875.00)		(4,875.00)
	(315.89)					0.00
		719	(315.89)			(315.89)
2,972.00	2,972.00				2,972.00	2,972.00
41,008.27	227,699.37					0.00
					227,699.37	227,699.37
14,423,966.71	42,625,221.99		11,333,896.77	28,129,488.73	3,161,836.49	42,625,221.99
112,112.00	112,112.00					0.00
				112,112.00		112,112.00
112,112.00	112,112.00		0.00	112,112.00	0.00	112,112.00
	(7,825.59)					0.00
0.00	(7,825.59)		(7,825.59)	0.00	0.00	(7,825.59)
118,754.67	118,754.67					0.00
					109,030.93	109,030.93
					9,723.74	9,723.74
118,754.67	118,754.67		0.00	0.00	118,754.67	118,754.67
$ 14,654,833.38	$ 42,848,263.07		$ 11,326,071.18	$ 28,241,600.73	$ 3,280,591.16	$ 42,848,263.07

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TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 1-A
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2013

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 - All Governmental Fund Types (Exh. II):

Federal Revenues (Exh. II)	$	14,654,833.38
Federal Grant Pass-Through Revenues (Exh. II)		28,193,429.69
Subtotal		42,848,263.07
Total Pass-Through & Expenditures per Schedule 1-A	$	42,848,263.07

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TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 1-A
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2013

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	-	118,754.67	$118,754.67	$39,744,049.92
Dept. of Health and Human Services / 93.108 Health Education Assistance Loans	-	-	$ -	$8,722,113.31

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 Deferred Revenue

CFDA	Balance 9/1/12	Net Changes	Balance 8/31/13
84.378	24,000.00	(24,000.00)	-
	$ 24,000.00	$ (24,000.00)	$ -

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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, 2013

State Pass-Through Grants from:		
EMS/Trauma Care System		
537 - Department of State Health Services	$	2,250,000.00
EMS/Trauma Care System Total		**2,250,000.00**
Foundation School Program (FSP) - Formula		
701 - Texas Education Agency		(3,500.30)
Foundation School Program (FSP) - Formula Total		**(3,500.30)**
Medicaid Loan Repay		
529 - Health and Human Services Commission		50,000.00
Medicaid Loan Repay Total		**50,000.00**
Pass-Through from Total	$	**2,296,499.70**
State Pass-Through Grants to:		
ABE Community College Grants		
714 - University of Texas at Arlington	$	10,000.00
719 - Texas State Technical College System		285,102.33
754 - Texas State University - San Marcos		249,087.29
ABE Community College Grants Total		**544,189.62**
Advanced Research Program		
711 - Texas A&M University		(20,088.32)
712 - Texas A&M Engineering Experiment Station		(8,378.67)
714 - University of Texas at Arlington		(22,591.77)
721 - University of Texas at Austin		223,756.49
724 - University of Texas at El Paso		(6,368.71)
729 - University of Texas Southwestern Medical Center at Dallas		(330.30)
730 - University of Houston		(5,312.12)
733 - Texas Tech University		173,438.39
738 - University of Texas at Dallas		(91,144.78)
743 - University of Texas at San Antonio		(11,790.61)
752 - University of North Texas		(19.79)
754 - Texas State University - San Marcos		38,551.35
761 - Texas A&M International University		57,853.00
Advanced Research Program Total		**327,574.16**
African American Museum Internship		
738 - University of Texas at Dallas		66,716.00
African American Museum Internship Total		**66,716.00**
ATX - ATT		
721 - University of Texas at Austin		18,057.00
ATX - ATT Total		**18,057.00**
ATX - Dell Foundation		
711 - Texas A&M University		294,338.00
ATX - Dell Foundation Total		**294,338.00**
ATX - Graham Weston		
721 - University of Texas at Austin		16,000.00
ATX - Graham Weston Total		**16,000.00**
CCA-DE MATH		

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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, 2013

719 - Texas State Technical College System	20,025.00
732 - Texas A&M University - Kingsville	23,733.38
736 - University of Texas - Pan American	518.45
753 - Sam Houston State University	20,391.26
754 - Texas State University - San Marcos	162,922.27
CCA-DE MATH Total	**227,590.36**
College Readiness Initiative	
711 - Texas A&M University	1,042,342.60
714 - University of Texas at Arlington	640,000.00
717 - Texas Southern University	10,000.00
719 - Texas State Technical College System	10,000.00
721 - University of Texas at Austin	1,015,659.50
724 - University of Texas at El Paso	367,789.31
730 - University of Houston	215,756.80
731 - Texas Woman's University	94,019.83
732 - Texas A&M University - Kingsville	10,000.00
733 - Texas Tech University	18,214.95
736 - University of Texas - Pan American	155,034.39
738 - University of Texas at Dallas	356,077.52
742 - University of Texas of the Permian Basin	20,000.00
743 - University of Texas at San Antonio	199,500.00
747 - University of Texas at Brownsville	271,835.92
751 - Texas A&M University - Commerce	119,915.31
752 - University of North Texas	212,632.69
754 - Texas State University - San Marcos	274,901.87
755 - Stephen F. Austin State University	393,123.41
758 - Texas State University System	280,000.00
759 - University of Houston - Clear Lake	65,388.16
760 - Texas A&M University - Corpus Christi	164,859.84
761 - Texas A&M International University	129,045.56
770 - Texas A&M University - Central Texas	10,000.00
784 - University of Houston - Downtown	10,000.00
College Readiness Initiative Total	**6,086,097.66**
College Work Study Program	
711 - Texas A&M University	180,609.00
713 - Tarleton State University	17,124.68
714 - University of Texas at Arlington	132,928.00
715 - Prairie View A&M University	71,226.51
717 - Texas Southern University	62,659.35
718 - Texas A&M University at Galveston	7,513.00
719 - Texas State Technical College System	74,631.33
721 - University of Texas at Austin	190,187.00
724 - University of Texas at El Paso	115,395.00
729 - University of Texas Southwestern Medical Center at Dallas	7,524.00
730 - University of Houston	165,409.00
731 - Texas Woman's University	63,361.82

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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, 2013

732 - Texas A&M University - Kingsville	52,129.00
733 - Texas Tech University	130,283.90
734 - Lamar University	55,069.00
735 - Midwestern State University	28,542.00
736 - University of Texas - Pan American	105,157.00
737 - Angelo State University	39,238.37
738 - University of Texas at Dallas	46,477.99
742 - University of Texas of the Permian Basin	17,117.00
743 - University of Texas at San Antonio	150,586.43
747 - University of Texas at Brownsville	25,277.68
750 - University of Texas at Tyler	21,145.55
751 - Texas A&M University - Commerce	46,899.00
752 - University of North Texas	155,489.45
753 - Sam Houston State University	82,743.74
754 - Texas State University - San Marcos	159,374.48
755 - Stephen F. Austin State University	69,005.00
756 - Sul Ross State University	15,426.00
757 - West Texas A&M University	33,418.00
759 - University of Houston - Clear Lake	30,921.00
760 - Texas A&M University - Corpus Christi	47,793.75
761 - Texas A&M International University	35,409.00
763 - University of North Texas Health Science Center at Fort Worth	8,053.06
764 - Texas A&M University - Texarkana	4,549.50
765 - University of Houston - Victoria	15,861.00
784 - University of Houston - Downtown	60,587.00
787 - Lamar State College - Orange	9,974.00
788 - Lamar State College - Port Arthur	9,329.00
789 - Lamar Institute of Technology	12,665.00
College Work Study Program Total	**2,557,090.59**
Developmental Education Program	
711 - Texas A&M University	165,000.00
719 - Texas State Technical College System	348,750.00
721 - University of Texas at Austin	18,750.00
753 - Sam Houston State University	35,897.68
754 - Texas State University - San Marcos	46,624.26
789 - Lamar Institute of Technology	981.44
Developmental Education Program Total	**616,003.38**
Early High School Program HB1479	
714 - University of Texas at Arlington	(2,500.00)
754 - Texas State University - San Marcos	(1,495.00)
Early High School Program HB1479 Total	**(3,995.00)**
Emergency and Trauma Care	
723 - University of Texas Medical Branch at Galveston	40,021.00
724 - University of Texas at El Paso	393,601.00
729 - University of Texas Southwestern Medical Center at Dallas	100,052.50
739 - Texas Tech University Health Sciences Center	120,063.00

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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, 2013

744 - University of Texas Health Science Center at Houston	605,889.50
745 - University of Texas Health Science Center at San Antonio	265,284.00
Emergency and Trauma Care Total	**1,524,911.00**
Engineering Recruitment Program	
714 - University of Texas at Arlington	(104.00)
715 - Prairie View A&M University	1,757.29
742 - University of Texas of the Permian Basin	(2,361.10)
Engineering Recruitment Program Total	**(707.81)**
Family Practice Residency Program	
709 - Texas A&M University System Health Science Center	99,869.12
723 - University of Texas Medical Branch at Galveston	103,710.24
729 - University of Texas Southwestern Medical Center at Dallas	187,966.73
739 - Texas Tech University Health Sciences Center	359,859.68
744 - University of Texas Health Science Center at Houston	134,439.20
745 - University of Texas Health Science Center at San Antonio	142,121.44
763 - University of North Texas Health Science Center at Fort Worth	42,252.32
785 - University of Texas Health Center at Tyler	104,186.88
Family Practice Residency Program Total	**1,174,405.61**
General Academic Enrollment Growth	
715 - Prairie View A&M University	21,036.86
General Academic Enrollment Growth Total	**21,036.86**
Higher Education Performance Incentive Initiative	
760 - Texas A&M University - Corpus Christi	18,571.88
Higher Education Performance Incentive Initiative Total	**18,571.88**
Ken Ashworth Scholarship Fund	
723 - University of Texas Medical Branch at Galveston	2,000.00
Ken Ashworth Scholarship Fund Total	**2,000.00**
Minority Health Research and Education	
723 - University of Texas Medical Branch at Galveston	144,953.13
744 - University of Texas Health Science Center at Houston	(26,557.79)
745 - University of Texas Health Science Center at San Antonio	44,242.94
752 - University of North Texas	27,817.29
754 - Texas State University - San Marcos	64,755.72
Minority Health Research and Education Total	**255,211.29**
Nursing and Allied Health	
709 - Texas A&M University System Health Science Center	28,700.12
713 - Tarleton State University	100,471.06
714 - University of Texas at Arlington	(80.87)
715 - Prairie View A&M University	44,999.10
735 - Midwestern State University	(33,324.04)
739 - Texas Tech University Health Sciences Center	(11,618.40)
754 - Texas State University - San Marcos	28,584.54
755 - Stephen F. Austin State University	94,223.41
760 - Texas A&M University - Corpus Christi	35,855.25
Nursing and Allied Health Total	**287,810.17**
Outreach and Success	

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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, 2013

717 - Texas Southern University	10,000.00
721 - University of Texas at Austin	55,000.00
730 - University of Houston	18,967.16
749 - Texas A&M University - San Antonio	100,000.00
753 - Sam Houston State University	39,296.81
754 - Texas State University - San Marcos	20,000.00
Outreach and Success Total	**243,263.97**
Professional Nursing Aid	
715 - Prairie View A&M University	2,995.03
760 - Texas A&M University - Corpus Christi	5,024.53
Professional Nursing Aid Total	**8,019.56**
Professional Nursing Shortage Reduction Program	
709 - Texas A&M University System Health Science Center	310,000.00
713 - Tarleton State University	667,257.00
714 - University of Texas at Arlington	2,716,380.00
723 - University of Texas Medical Branch at Galveston	655,915.00
731 - Texas Woman's University	215,836.08
734 - Lamar University	18,063.00
735 - Midwestern State University	15,423.00
737 - Angelo State University	154,658.00
739 - Texas Tech University Health Sciences Center	621,528.00
744 - University of Texas Health Science Center at Houston	346,563.00
745 - University of Texas Health Science Center at San Antonio	283,775.00
750 - University of Texas at Tyler	285,317.00
754 - Texas State University - San Marcos	1,289,954.64
755 - Stephen F. Austin State University	87,626.09
757 - West Texas A&M University	316,109.00
760 - Texas A&M University - Corpus Christi	591,175.36
761 - Texas A&M International University	90,317.00
765 - University of Houston - Victoria	18,063.00
787 - Lamar State College - Orange	106,169.00
788 - Lamar State College - Port Arthur	410,741.00
Professional Nursing Shortage Reduction Program Total	**9,200,870.17**
Promote Participation and Success	
717 - Texas Southern University	8,000.00
734 - Lamar University	6,000.00
751 - Texas A&M University - Commerce	7,350.00
760 - Texas A&M University - Corpus Christi	2,050.00
761 - Texas A&M International University	2,865.00
Promote Participation and Success Total	**26,265.00**
Tech Workforce Development Grant	
730 - University of Houston	(500.56)
Tech Workforce Development Grant Total	**(500.56)**
Texas Education Opportunity Grant Program	
719 - Texas State Technical College System	826,775.00
787 - Lamar State College - Orange	41,215.00

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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, 2013

788 - Lamar State College - Port Arthur	136,133.00
Texas Education Opportunity Grant Program Total	**1,004,123.00**
TEXAS Grant Program	
711 - Texas A&M University	18,002,147.00
713 - Tarleton State University	4,405,000.00
714 - University of Texas at Arlington	11,659,777.00
715 - Prairie View A&M University	4,043,500.00
717 - Texas Southern University	5,735,065.80
718 - Texas A&M University at Galveston	433,971.00
719 - Texas State Technical College System	1,419,700.00
721 - University of Texas at Austin	26,168,935.00
723 - University of Texas Medical Branch at Galveston	14,800.00
724 - University of Texas at El Paso	15,857,987.00
730 - University of Houston	18,693,633.00
731 - Texas Woman's University	4,894,880.00
732 - Texas A&M University - Kingsville	5,126,667.00
733 - Texas Tech University	9,510,000.00
734 - Lamar University	4,485,000.00
735 - Midwestern State University	2,870,000.00
736 - University of Texas - Pan American	23,108,541.00
737 - Angelo State University	4,106,799.00
738 - University of Texas at Dallas	4,964,210.00
739 - Texas Tech University Health Sciences Center	45,000.00
742 - University of Texas of the Permian Basin	980,552.00
743 - University of Texas at San Antonio	17,239,301.00
745 - University of Texas Health Science Center at San Antonio	20,000.00
747 - University of Texas at Brownsville	4,669,200.00
750 - University of Texas at Tyler	2,178,072.00
751 - Texas A&M University - Commerce	3,598,466.00
752 - University of North Texas	15,129,982.00
753 - Sam Houston State University	7,680,000.00
754 - Texas State University - San Marcos	10,885,882.00
755 - Stephen F. Austin State University	5,771,667.00
756 - Sul Ross State University	793,800.00
757 - West Texas A&M University	3,035,000.00
759 - University of Houston - Clear Lake	1,463,125.00
760 - Texas A&M University - Corpus Christi	3,619,392.00
761 - Texas A&M International University	5,507,142.00
764 - Texas A&M University - Texarkana	490,000.00
765 - University of Houston - Victoria	850,000.00
784 - University of Houston - Downtown	6,560,000.00
787 - Lamar State College - Orange	271,328.00
788 - Lamar State College - Port Arthur	400,000.00
789 - Lamar Institute of Technology	27,500.00
TEXAS Grant Program Total	**256,716,021.80**
Texas Research Incentive Program - HB1025	

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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, 2013

714 - University of Texas at Arlington	1,002,317.13
724 - University of Texas at El Paso	4,675,799.00
730 - University of Houston	6,702,443.50
733 - Texas Tech University	7,745,035.62
738 - University of Texas at Dallas	10,179,670.45
743 - University of Texas at San Antonio	2,155,475.00
752 - University of North Texas	1,315,000.00
754 - Texas State University - San Marcos	624,259.30
Texas Research Incentive Program - HB1025 Total	**34,400,000.00**
Texas Research Incentive Program - HB51	
714 - University of Texas at Arlington	212,500.00
724 - University of Texas at El Paso	462,149.91
730 - University of Houston	2,385,000.00
733 - Texas Tech University	1,952,537.04
738 - University of Texas at Dallas	11,075,313.05
743 - University of Texas at San Antonio	1,550,000.00
752 - University of North Texas	175,000.00
Texas Research Incentive Program - HB51 Total	**17,812,500.00**
Top 10% Scholarships	
711 - Texas A&M University	7,746,205.00
713 - Tarleton State University	312,000.00
714 - University of Texas at Arlington	1,312,000.00
715 - Prairie View A&M University	149,352.00
717 - Texas Southern University	(102,000.00)
718 - Texas A&M University at Galveston	64,000.00
719 - Texas State Technical College System	38,000.00
721 - University of Texas at Austin	10,804,000.00
723 - University of Texas Medical Branch at Galveston	4,000.00
724 - University of Texas at El Paso	1,355,224.00
730 - University of Houston	598,000.00
731 - Texas Woman's University	207,391.00
732 - Texas A&M University - Kingsville	272,000.00
733 - Texas Tech University	1,186,000.00
734 - Lamar University	198,978.00
735 - Midwestern State University	228,000.00
736 - University of Texas - Pan American	2,014,352.00
737 - Angelo State University	384,000.00
738 - University of Texas at Dallas	976,000.00
742 - University of Texas of the Permian Basin	50,000.00
743 - University of Texas at San Antonio	1,030,735.00
745 - University of Texas Health Science Center at San Antonio	4,000.00
747 - University of Texas at Brownsville	314,869.00
750 - University of Texas at Tyler	128,000.00
751 - Texas A&M University - Commerce	290,876.00
752 - University of North Texas	1,867,281.00
753 - Sam Houston State University	744,000.00

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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, 2013

754 - Texas State University - San Marcos	32,964.00
755 - Stephen F. Austin State University	826,000.00
756 - Sul Ross State University	48,000.00
757 - West Texas A&M University	382,000.00
760 - Texas A&M University - Corpus Christi	444,000.00
761 - Texas A&M International University	629,014.00
764 - Texas A&M University - Texarkana	4,000.00
765 - University of Houston - Victoria	18,000.00
784 - University of Houston - Downtown	28,000.00
Top 10% Scholarships Total	**34,589,241.00**
T-STEM Scholarship Program	
719 - Texas State Technical College System	993,800.00
T-STEM Scholarship Program Total	**993,800.00**
Work Study Mentorship Program	
713 - Tarleton State University	56,058.98
714 - University of Texas at Arlington	173,481.10
717 - Texas Southern University	71,696.32
719 - Texas State Technical College System	199,291.74
724 - University of Texas at El Paso	212,059.89
731 - Texas Woman's University	187,390.30
732 - Texas A&M University - Kingsville	232,043.21
733 - Texas Tech University	89,000.00
736 - University of Texas - Pan American	205,536.81
738 - University of Texas at Dallas	50,816.12
742 - University of Texas of the Permian Basin	41,326.32
743 - University of Texas at San Antonio	138,934.80
747 - University of Texas at Brownsville	97,752.86
751 - Texas A&M University - Commerce	35,635.02
752 - University of North Texas	175,537.80
754 - Texas State University - San Marcos	115,673.81
757 - West Texas A&M University	85,535.53
760 - Texas A&M University - Corpus Christi	200,466.67
761 - Texas A&M International University	67,613.74
773 - University of North Texas at Dallas	18,097.05
784 - University of Houston - Downtown	3,925.47
Work Study Mentorship Program Total	**2,457,873.54**
Total State Pass-Through Grants To Other Agencies (Exh. II)	$ **371,484,378.25**

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 2-A
MISCELLANEOUS BOND INFORMATION
For the Year Ended August 31, 2013

Governmental Activities

Description of Issue	Bonds Issued To Date	Range of Interest Rates		Terms of Variable Interest Rates	Scheduled Maturities First Year	Scheduled Maturities Last Year	First Call Date	
General Obligation Bonds:								
COL STUD LOAN BDS SER'99	75,000,000.00	4.50%	5.25%		2004	2023	08/01/2013	(A,B)
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,B)
COL STUD LOAN RFD BDS SER'13A	98,550,000.00	2.00%	5.00%		2014	2023	N/A	
VAR RT COL STUD LOAN RFD BDS SER'03	178,190,000.00	Variable		Weekly	2006	2038	07/01/2003	(C,D)
VAR RT COL STUD LOAN RFD BDS SER'04	52,765,000.00	Variable		Monthly	2011	2016	08/01/2004	(C,D)
VAR RT COL STUD LOAN RFD BDS SER'06	72,005,000.00	Variable		Weekly	2012	2017	08/01/2006	(C,D)
Total General Obligation Bonds	$ 1,197,225,000.00							

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

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

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

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 2-B

CHANGES IN BONDED INDEBTEDNESS

For the Year Ended August 31, 2013

Governmental Activities

Description of Issue	Bonds Outstanding 9/1/2012	Bonds Issued	Bonds Matured or Retired	Bonds Refunded or Extinguished	Bonds Outstanding 8/31/2013	Unamortized Premium/ Discount	Net Bonds Outstanding 8/31/2013	Amounts Due Within One Year
General Obligation Bonds:								
COL STUD LOAN BDS SER'99	10,770,000.00		1,225,000.00	9,545,000.00	0.00		0.00	
COL STUD LOAN BDS SER'07A	68,675,000.00		2,220,000.00		66,455,000.00		66,455,000.00	2,330,000.00
COL STUD LOAN RFD BDS SER'07B	26,165,000.00				26,165,000.00		26,165,000.00	6,680,000.00
COL STUD LOAN BDS SER'08A	72,085,000.00		2,140,000.00		69,945,000.00		69,945,000.00	2,260,000.00
COL STUD LOAN RFD BDS SER'08B	27,335,000.00				27,335,000.00		27,335,000.00	6,945,000.00
COL STUD LOAN RFD BDS SER'08C	27,820,000.00		5,010,000.00		22,810,000.00		22,810,000.00	5,275,000.00
COL STUD LOAN BDS SER'09	71,730,000.00		2,115,000.00		69,615,000.00		69,615,000.00	2,200,000.00
COL STUD LOAN BDS SER'10	113,580,000.00				113,580,000.00	9,780,808.98	123,360,808.98	3,755,752.81
COL STUD LOAN RFD BDS SER'10	33,965,000.00				33,965,000.00	2,599,646.63	36,564,646.63	1,699,911.66
COL STUD LOAN BDS SER'11A	118,650,000.00				118,650,000.00	4,987,572.02	123,637,572.02	666,115.26
COL STUD LOAN RFD BDS SER'11B	19,355,000.00		6,685,000.00		12,670,000.00	560,708.48	13,230,708.48	6,933,891.76
COL STUD LOAN RFD BDS SER'11C	6,570,000.00				6,570,000.00	683,172.23	7,253,172.23	84,930.85
COL STUD LOAN BDS SER'12	85,615,000.00				85,615,000.00	12,348,687.50	97,963,687.50	1,854,618.50
COL STUD LOAN RFD BDS SER'13A		98,550,000.00			98,550,000.00	13,481,208.07	112,031,208.07	19,228,666.03
VAR RT STUD LOAN RFD BDS SER'03	75,000,000.00			75,000,000.00	0.00		0.00	
VAR RT STUD LOAN RFD BDS SER'04	14,210,000.00		3,670,000.00	10,540,000.00	0.00		0.00	
VAR RT STUD LOAN RFD BDS SER'06	53,575,000.00		35,460,000.00	18,115,000.00	0.00		0.00	
Total General Obligation Bonds	$ 825,100,000.00	$ 98,550,000.00	$ 58,525,000.00	$ 113,200,000.00	$ 751,925,000.00	$ 44,441,803.91	$ 796,366,803.91	$ 59,913,886.87

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 2-C
DEBT SERVICE REQUIREMENTS

For the Year Ended August 31, 2013

Governmental Activities

Description of Issue	Year	Principal	Interest
General Obligation Bonds:			
COL STUD LOAN BDS SER'07A	2014	$ 2,330,000.00	$ 3,396,312.50
	2015	2,450,000.00	3,273,987.50
	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
	2019-2023	16,545,000.00	11,952,062.50
	2024-2028	21,355,000.00	7,230,750.00
	2029-2031	15,675,000.00	1,594,250.00
		$ 66,455,000.00	$ 36,471,850.00
COL STUD LOAN RFD BDS SER'07B	2014	$ 6,680,000.00	$ 1,247,030.00
	2015	0.00	939,750.00
	2016	6,900,000.00	939,750
	2017	5,900,000.00	629,250.00
	2018	6,685,000.00	334,250.00
		$ 26,165,000.00	$ 4,090,030.00
COL STUD LOAN BDS SER'08A	2014	$ 2,260,000.00	$ 3,600,387.50
	2015	2,385,000.00	3,476,087.50
	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
	2019-2023	16,085,000.00	13,209,125.00
	2024-2028	20,675,000.00	8,622,875.00
	2029-2032	20,650,000.00	2,779,087.50
		$ 69,945,000.00	$ 41,376,575.00
COL STUD LOAN RFD BDS SER'08B	2014	$ 6,945,000.00	1,401,475.00
	2015		1,019,500.00
	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
		$ 27,335,000.00	$ 4,458,725.00
COL STUD LOAN RFD BDS SER'08C	2014	$ 5,275,000.00	1,197,525.00
	2015	5,550,000.00	920,587.50
	2016	5,840,000.00	629,212.50
	2017	6,145,000.00	322,612.50
		$ 22,810,000.00	$ 3,069,937.50
COL STUD LOAN BDS SER'09	2014	$ 2,200,000.00	3,343,193.76
	2015	2,285,000.00	3,255,193.76
	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
	2019-2023	14,805,000.00	12,900,968.80
	2024-2028	18,870,000.00	8,842,968.80
	2029-2033	24,025,000.00	3,683,937.52
		$ 69,615,000.00	$ 41,228,243.92
COL STUD LOAN BDS SER'10	2014	$ 3,290,000.00	$ 5,527,875.00
	2015	3,455,000.00	5,363,375.00
	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
	2019-2023	22,360,000.00	21,724,200.00
	2024-2028	28,480,000.00	15,597,000.00
	2029-2033	36,350,000.00	7,728,250.00
	2034	8,395,000.00	419,750.00
		$ 113,580,000.00	$ 71,557,050.00

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 2-C
DEBT SERVICE REQUIREMENTS

For the Year Ended August 31, 2013

Governmental Activities

Description of Issue	Year	Principal	Interest
COL STUD LOAN RFD BDS SER'10	2014	$ 1,050,000.00	$ 1,585,750.00
	2015	26,775,000.00	1,533,250.00
	2016	3,000,000.00	307,000.00
	2017	3,140,000.00	157,000.00
		$ 33,965,000.00	$ 3,583,000.00
COL STUD LOAN BDS SER'11A	2014	$	5,932,500.00
	2015	3,080,000.00	5,932,500.00
	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
	2019-2023	20,700,000.00	24,373,500.00
	2024-2028	26,415,000.00	18,654,750.00
	2029-2033	33,710,000.00	11,357,250.00
	2034-2036	24,545,000.00	2,494,500.00
		$ 118,650,000.00	$ 85,587,000.00
COL STUD LOAN RFD BDS SER'11B	2014	$ 6,560,000.00	607,400.00
	2015	4,240,000.00	279,400.00
	2016	760,000.00	67,400.00
	2017	565,000.00	44,600.00
	2018	545,000.00	16,350.00
		$ 12,670,000.00	$ 1,015,150.00
COL STUD LOAN RFD BDS SER'11C	2014	$	328,500.00
	2015		328,500.00
	2016		328,500.00
	2017		328,500.00
	2018		328,500.00
	2019-2022	6,570,000.00	830,000.00
		$ 6,570,000.00	$ 2,472,500.00
COL STUD LOAN BDS SER'12	2014	$	4,192,256.26
	2015		4,192,256.26
	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
	2019-2023	43,240,000.00	9,694,956.30
	2024-2028	11,205,000.00	3,750,806.30
	2029-2033	10,515,000.00	1,950,687.52
	2034-2035	4,735,000.00	255,912.52
		$ 85,615,000.00	$ 36,377,193.94
COL STUD LOAN RFD BDS SER'13A	2014	$ 16,125,000.00	$ 4,185,750.00
	2015	3,895,000.00	3,863,250.00
	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
	2019-2023	23,915,000.00	1,697,000.00
		$ 98,550,000.00	$ 18,665,900.00

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 2-D
ANALYSIS OF FUNDS AVAILABLE FOR DEBT SERVICE
For the Year Ended August 31, 2013

Governmental Activities

	Application of Funds	
Description of Issue	Principal	Interest
General Obligation Bonds		
COL STUD LOAN BDS	$ 58,525,000.00	$ 34,446,295.24

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 2-F
EARLY EXTINGUISHMENT AND REFUNDING
For the Year Ended August 31, 2013

Governmental Activities			For Refunding Only		
Description of Issue	Category	Amount Extinguished or Refunded	Refunding Issue Par Value	Cash Flow Increase (Decrease)	Economic Gain/ (Loss)
General Obligation Bonds					
COL STUD LOAN BONDS SER '99	Current Refunding	$ 9,545,000.00	$ 8,300,000.00	$ 238,625.00	$ 1,751,483.32
VAR RT COL STUD LOAN RFD BONDS SER '03	Current Refunding	$ 75,000,000.00	$ 64,235,000.00	$ 63,657.53	$ 10,473,108.59
VAR RT COL STUD LOAN RFD BONDS SER '04	Current Refunding	$ 10,540,000.00	$ 9,695,000.00	$ 12,047.36	$ 214,976.44
VAR RT COL STUD LOAN RFD BONDS SER '06	Current Refunding	$ 18,115,000.00	$ 16,320,000.00	$ 10,432.26	$ 451,031.66
Total Governmental Activities		$ 113,200,000.00	$ 98,550,000.00	$ 324,762.15	$ 12,890,600.01