

# **Texas Higher Education Coordinating Board**



**Annual Financial Report  
For the Year Ended August 31, 2017**



UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

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# TEXAS HIGHER EDUCATION COORDINATING BOARD

P.O. Box 12788 Austin, Texas 78711

Robert W. Jenkins  
CHAIR

Stuart W. Stedman  
VICE CHAIR

John T. Steen, Jr.  
SECRETARY OF THE BOARD

Andrias R. "Annie" Jones  
STUDENT REPRESENTATIVE

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

Raymund A. Paredes  
COMMISSIONER  
OF HIGHER EDUCATION

512/ 427-6101  
Fax 512/ 427-6127

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

November 20, 2017

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

From: Raymund A. Paredes *RAP*

RE: Annual Financial Report

We are pleased to submit the annual financial report of the Texas Higher Education Coordinating Board for the year ended 08/31/2017, in compliance with Texas Government Code, Section 2101.011, and in accordance with the requirements established by the Comptroller of Public Accounts.

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

If you have any questions, please contact Glenn Osher, Director of Financial Reporting, at (512) 427-6174.

Enclosure

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

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

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

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

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

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

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TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

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

	GOVERNMENTAL FUND TYPES			
	General (Exhibit A-1)	Special Revenue (Exhibit B-1)	Debt Service (Exhibit C-1)	Permanent (Exhibit E-1)
<b>LIABILITIES</b>				
Current Liabilities:				
Payables from:				
Accounts - Vendors	\$ 269,614.90	\$	\$	\$
Accounts - Grants and Loans	7,955,186.93	716,190.16		564,134.80
Payroll	1,834,266.26			
Due To Other Funds (Note 12)				
Bond Interest Payable				
Employees' Compensable Leave Payable (Note 5)				
General Obligation Bonds Payable (Note 5, 6)				
Due To Other Agencies (Note 12)	8,030,595.63			1,100,778.94
Interfund Payable	19,989.49			
<b>Total Current Liabilities</b>	<b>18,109,653.21</b>	<b>716,190.16</b>		<b>1,664,913.74</b>
Non Current Liabilities:				
Employees' Compensable Leave Payable (Note 5)	\$	\$	\$	\$
General Obligation Bonds Payable (Note 5, 6)				
Arbitrage Rebate Liability Payable (Note 15)				
<b>Total Non-Current Liabilities</b>				
<b>Total Liabilities</b>	<b>18,109,653.21</b>	<b>716,190.16</b>		<b>1,664,913.74</b>
<b>FUND FINANCIAL STATEMENT-FUND BALANCES</b>				
Fund Balances (Deficits):				
Nonspendable-Prepaid Items	51,654.81			
Nonspendable-LT Contract and Receivables	51,654,366.14			
Restricted	1,129,821.20	1,308,255,462.45	118,069,431.80	
Committed	364,612,906.49			9,818,704.67
Assigned	49,219.63			
Unassigned	53,395,391.49			
<b>Total Fund Balances</b>	<b>470,893,359.76</b>	<b>1,308,255,462.45</b>	<b>118,069,431.80</b>	<b>9,818,704.67</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 489,003,012.97</b>	<b>\$ 1,308,971,652.61</b>	<b>\$ 118,069,431.80</b>	<b>\$ 11,483,618.41</b>

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

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



UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

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

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

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TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

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

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

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

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

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

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

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

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

Government-Wide Statement of Net Position

Net Position/Net Change in Net Position  
 Net Position, September 1, 2016

NET POSITION, August 31, 2017

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

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

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

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

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

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

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

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

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT VII

COMBINED STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Year Ended August 31, 2017

	Perm Endowment Fund - Baylor College of Medicine Fund (0823) U/F (0823)
<b>ADDITIONS</b>	
Investment Income:	
From Investing Activities:	
Interest and Investment Income	\$ 1,189.30
Total Investing Income	1,189.30
Net Income from Investing Activities	1,189.30
Other Additions:	
Transfers In (Note 12)	1,498,149.52
Total Other Additions	1,498,149.52
Total Additions	1,499,338.82
<b>DEDUCTIONS</b>	
Intergovernmental Payments	1,499,338.82
Total Deductions	1,499,338.82
<b>NET INCREASE (DECREASE)</b>	
Net Position-September 1, 2016	_____
<b>NET POSITION-August 31, 2017</b>	<b>\$ _____</b>

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

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

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. ENTITY**

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

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

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

**B. FUND STRUCTURE**

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

**Governmental Fund Types & Government-wide Adjustment Fund Types**

**General Fund**

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

**Special Revenue Funds**

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

**Debt Service Funds**

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

**Permanent funds**

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

**Fiduciary Fund Types**

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

**Agency Funds**

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

**Private-Purpose Trust Funds**

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

**Capital Asset Adjustment Fund Type**



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

**Long-Term Liabilities Adjustment Fund Type**

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

**C. BASIS OF ACCOUNTING**

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

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

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

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

**D. BUDGETS AND BUDGETARY ACCOUNTING**

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

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

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

**ASSETS**

**Cash and Cash Equivalents**

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

**Interest Receivable**

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

**Student Loan Notes Receivable**

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

**Allowance for Doubtful Accounts**

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

**Capital Assets**

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

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

**Restricted Assets**

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

**LIABILITIES**

**Accounts Payable**

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

**Employees' Compensable Leave Balances**

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

**Capital Lease Obligations**

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

**Unearned Revenues**

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

**Bonds Payable**

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

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

**Arbitrage Rebate Liability**

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

**FUND BALANCE/NET POSITION**

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

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Fund Balance Components:

Nonspendable

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

Restricted

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

Committed

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

Assigned

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

Unassigned

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

Invested In Capital Assets, Net Of Related Debt

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

Restricted Net Position

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

Unrestricted Net Position

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

GASB 54 Note Disclosures:

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

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

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

D. There are no stabilization arrangements with THECB.

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

F. INTERFUND ACTIVITIES AND BALANCES

The THECB has the following types of transactions between funds:

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

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

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

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

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

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

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

**NOTE 2: CAPITAL ASSETS**

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

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

**Note 3 - Deposits, Investments and Repurchase Agreements**

Not Applicable.

**NOTE 4: SHORT-TERM DEBT**

Not Applicable.

**NOTE 5: SUMMARY OF LONG-TERM LIABILITIES**

**CHANGES IN LONG-TERM LIABILITIES**

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

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

**EMPLOYEES' COMPENSABLE LEAVE**

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

**GENERAL OBLIGATION BONDS PAYABLE & ARBITRAGE REBATE LIABILITY**

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

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

**NOTE 6: BONDED INDEBTEDNESS**

**A. BONDS PAYABLE**

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

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

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

**General Obligation Bonds**

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

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

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

**B. EARLY EXTINGUISHMENT**

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

**NOTE 7: DERIVATIVE INSTRUMENTS**

Not Applicable.

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)  
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**NOTE 8: OPERATING LEASES**

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

Fund Type	Amount
General Fund	1,484,523.30

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

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

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

**NOTE 9: PENSION PLANS**

Not Applicable.

**NOTE 10: DEFERRED COMPENSATION**

Not Applicable.

**NOTE 11: POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

Not Applicable.



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NOTES TO THE FINANCIAL STATEMENTS

**NOTE 12: INTERFUND BALANCES/ACTIVITIES**

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

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

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)  
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**NOTE 13: CONTINUANCE SUBJECT TO REVIEW**

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

**NOTE 14: ADJUSTMENTS TO FUND BALANCE AND NET POSITION**

**Restatements for Bond Issuance Costs:**

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

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

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

**NOTE 15: CONTINGENT LIABILITIES**

**Unpaid Claims and Lawsuits:**

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

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

**Federal and State Financial Assistance Programs:**

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

**Arbitrage:**

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

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

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

**NOTE 16: SUBSEQUENT EVENTS**

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

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

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

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

**NOTE 17: RISK MANAGEMENT**

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

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

THECB's liabilities are reported when it is both probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities will be reevaluated periodically taking into account current settlements, frequency of claims, past experience, and economic factors.

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

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

**NOTE 18: MANAGEMENT DISCUSSION AND ANALYSIS**

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

**NOTE 19: THE FINANCIAL REPORTING ENTITY**

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

**NOTE 20: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Not Applicable.

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

NOTE 22: DONOR RESTRICTED ENDOWMENTS

Not Applicable.

NOTE 23: EXTRAORDINARY AND SPECIAL ITEMS

Not Applicable.

NOTE 24: DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

Not Applicable.

NOTE 25: TERMINATION BENEFITS

Not Applicable.

NOTE 26: TERMINATION BENEFITS

Not Applicable.

NOTE 27: SERVICE CONCESSION ARRANGEMENTS

Not Applicable.

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

Not Applicable.

NOTE 29: TROUBLED DEBT RESTRUCTURING

Not Applicable.

NOTE 30: NON-EXCHANGE FINANCIAL GUARANTEES

Not Applicable.

NOTE 31: TAX ABATEMENTS

Not Applicable.

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

NOTE 32: FUND BALANCES

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

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

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TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

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

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

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TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

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

Trauma Facility And EMS (5111) U/F (5111)	Physician Ed LRP (5144) U/F (5144)	TOTALS (Exhibit I)
\$	\$ 22,423.38	\$ 22,423.38
		100.00
	117,971,790.85	249,565,033.82
		55,653,835.82
		889,611.58
		6,112,141.00
		59,681.47
		4,935,802.53
		19,989.49
		51,654.81
		5,030,254.54
		10,315,854.31
		332,656,382.75
	117,994,214.23	603,994.43
		51,050,371.71
		107.11
		104,692,156.97
		156,346,630.22
\$	\$ 117,994,214.23	\$ 489,003,012.97
\$	\$	\$ 269,614.90
		7,955,186.93
		1,834,266.26
		8,030,595.63
		19,989.49
		18,109,653.21

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TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

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

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

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



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TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

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

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

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TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

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

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

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TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

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

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

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TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

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

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

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

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

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

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

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TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT B-1  
COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS  
For the Year Ended August 31, 2017

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

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

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

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

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

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

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

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

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

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

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT C-1

COMBINING BALANCE SHEET - DEBT SERVICE FUNDS

For the Year Ended August 31, 2017

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

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

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



UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT C-2

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

For the Year Ended August 31, 2017

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

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

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

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT E-1

COMBINING BALANCE SHEET - PERMANENT FUNDS

For the Year Ended August 31, 2017

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

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

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

EXHIBIT E-2

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

For the Year Ended August 31, 2017

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

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

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

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

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

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

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UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

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

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

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

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

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

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

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

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



UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

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

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

UNAUDITED

**TEXAS HIGHER EDUCATION COORDINATING BOARD (781)**

**SCHEDULE 1-A**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the Year Ended August 31, 2017

**Note 1: Non-Monetary Assistance**

Not Applicable

**Note 2: Reconciliation**

Below is a reconciliation of the total of federal grant pass-through and federal expenditures as reported on the Schedule of Federal Financial Assistance to the total federal revenues and federal grant pass-through revenues as reported in the general-purpose financial statements. Generally, federal funds are not earned until expended; therefore, federal revenues equal federal expenditures for the reporting period.

Per Combined Statement of Revenues, Expenditures & Changes  
in Fund Balance/Statement of Activities - All Governmental Fund Types (Exh. II):

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

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 1-A  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended August 31, 2017

**Note 3: Student Loans Processed and Administrative Costs Recovered**

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

**Note 5: Unemployment Insurance**

Not Applicable

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

Not Applicable

**Note 7: Federal Unearned Revenue**

Not Applicable

**Note 8: Supplemental Nutrition Assistance Program (SNAP)**

Not Applicable

**Note 9 - Economic Adjustment Assistance**

Not Applicable

**Note 10 - 10 Percent de Minimis Indirect Cost Rate**

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

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

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

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

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

For the Year Ended August 31, 2017

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

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

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

For the Year Ended August 31, 2017

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

UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

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

For the Year Ended August 31, 2017

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

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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, 2017

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



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

For the Year Ended August 31, 2017

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

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

For the Year Ended August 31, 2017

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

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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, 2017

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

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 2-A  
MISCELLANEOUS BOND INFORMATION

For the Year Ended August 31, 2017

Governmental Activities

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

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

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

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

## TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

## SCHEDULE 2-B

## CHANGES IN BONDED INDEBTEDNESS

For the Year Ended August 31, 2017

**Governmental Activities**

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

## TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

**SCHEDULE 2-C**  
**DEBT SERVICE REQUIREMENTS**

For the Year Ended August 31, 2017

**Governmental Activities**

Description of Issue	Year	Principal	Interest
<u>General Obligation Bonds:</u>			
COL STUD LOAN BDS SER07A	2018	2,830,000.00	2,868,687.50
	2019	2,980,000.00	2,720,112.50
	2020	3,135,000.00	2,563,662.50
	2021	3,300,000.00	2,399,075.00
	2022	3,475,000.00	2,225,825.00
	2023-2027	20,295,000.00	8,254,637.50
	2028-2032	20,390,000.00	2,613,750.00
		<u>\$ 56,405,000.00</u>	<u>\$ 23,645,750.00</u>
COL STUD LOAN RFD BDS SER07B	2018	6,685,000.00	334,250.00
		<u>\$ 6,685,000.00</u>	<u>\$ 334,250.00</u>
COL STUD LOAN BDS SER08A	2018	2,760,000.00	3,100,337.50
	2019	2,895,000.00	2,962,337.50
	2020	3,050,000.00	2,810,350.00
	2021	3,210,000.00	2,650,225.00
	2022	3,375,000.00	2,481,700.00
	2023-2027	19,680,000.00	9,615,762.50
	2028-2032	25,200,000.00	4,090,712.50
		<u>\$ 60,170,000.00</u>	<u>\$ 27,711,425.00</u>
COL STUD LOAN RFD BDS SER08B	2018	7,045,000.00	352,250.00
		<u>\$ 7,045,000.00</u>	<u>\$ 352,250.00</u>
COL STUD LOAN BDS SER09	2018	2,575,000.00	2,969,593.76
	2019	2,700,000.00	2,840,843.76
	2020	2,810,000.00	2,732,843.76
	2021	2,950,000.00	2,592,343.76
	2022	3,095,000.00	2,444,843.76
	2023-2027	17,970,000.00	9,741,468.80
	2028-2032	22,895,000.00	4,811,531.28
	2033-2037	5,280,000.00	264,000.00
		<u>\$ 60,275,000.00</u>	<u>\$ 28,397,468.88</u>

## TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

**SCHEDULE 2-C**  
**DEBT SERVICE REQUIREMENTS**

For the Year Ended August 31, 2017

**Governmental Activities**

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

## TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

**SCHEDULE 2-C**  
**DEBT SERVICE REQUIREMENTS**

For the Year Ended August 31, 2017

**Governmental Activities**

Description of Issue	Year	Principal	Interest
COL STUD LOAN RFD BDS SER'13A	2018	19,035,000.00	2,147,500.00
	2019	20,015,000.00	1,195,750.00
	2020	895,000.00	195,000.00
	2021	945,000.00	150,250.00
	2022	1,000,000.00	103,000.00
	2023-2027	1,060,000.00	53,000.00
			<u>\$ 42,950,000.00</u>
COL STUD LOAN BDS SER'13B	2018	0	5,383,950.00
	2019	5,000,000.00	5,383,950.00
	2020	8,000,000.00	5,133,950.00
	2021	10,000,000.00	4,733,950.00
	2022	10,655,000.00	4,208,950.00
	2023-2027	58,025,000.00	11,988,312.50
	2028-2032	22,060,000.00	1,813,537.50
		<u>\$ 113,740,000.00</u>	<u>\$ 38,646,600.00</u>
COL STUD LOAN BDS SER'14	2018	0	3,536,800.00
	2019	1,905,000.00	3,536,800.00
	2020	2,320,000.00	3,422,500.00
	2021	6,635,000.00	3,283,300.00
	2022	6,900,000.00	2,885,200.00
	2023-2027	29,145,000.00	9,117,100.00
	2028-2032	21,225,000.00	1,720,000.00
		<u>\$ 68,130,000.00</u>	<u>\$ 27,501,700.00</u>
COL STUD LOAN BDS SER'15	2018	0	6,666,500.00
	2019	0	6,666,500.00
	2020	7,200,000.00	6,666,500.00
	2021	7,415,000.00	6,306,500.00
	2022	7,715,000.00	5,935,750.00
	2023-2027	44,320,000.00	23,534,250.00
	2028-2032	56,565,000.00	12,365,600.00
2033-2037	26,785,000.00	1,620,200.00	
		<u>\$ 150,000,000.00</u>	<u>\$ 69,761,800.00</u>
COL STUD LOAN BDS SER'16	2018	0.00	8,459,325.00
	2019	0.00	8,459,325.00
	2020	0.00	8,459,325.00
	2021	4,510,000.00	8,459,325.00
	2022	4,780,000.00	8,188,725.00
	2023-2027	28,275,000.00	36,565,750.00
	2028-2032	36,950,000.00	27,886,750.00
2033-2037	48,240,000.00	16,596,000.00	
2038-2040	35,310,000.00	3,588,500.00	
		<u>\$ 158,065,000.00</u>	<u>\$ 126,663,025.00</u>



UNAUDITED

TEXAS HIGHER EDUCATION COORDINATING BOARD (781)

SCHEDULE 2-D

ANALYSIS OF FUNDS AVAILABLE FOR DEBT SERVICE

For the Year Ended August 31, 2017

Governmental Activities

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