

WILLIAM MARSH RICE UNIVERSITY



Continuing Disclosure of Selected Financial Information and Operating Data

Fiscal Year Ended: June 30, 2017

Report Dated: December 18, 2017

**WILLIAM MARSH RICE UNIVERSITY
ANNUAL REPORT
OF
SELECTED FINANCIAL INFORMATION AND OPERATING DATA**

Fiscal Year Ended: June 30, 2017

**Relating to:
City of Houston Higher Education Finance Corporation
Higher Education Revenue Bonds
Rice University Project Series 2010A
CUSIP Nos. 442378DX0, DY8**

This Annual Report of Selected Financial Information and Operating Data ("*Annual Report*") is filed by William Marsh Rice University for the benefit of its bond holders. This Annual Report relates to the aforementioned bonds. The terms of the Bonds are described in an Official Statement dated May 18, 2010 (the "*Official Statement*"), which is on file with the Municipal Securities Rulemaking Board. Terms used herein that are not defined herein have the meanings ascribed to such terms in the Official Statement.

Audited Financial Statements

The consolidated financial statements of William Marsh Rice University as of and for its fiscal year ended June 30, 2017 are being sent separately. Such financial statements have been prepared in accordance with generally accepted accounting principles and have been audited by PricewaterhouseCoopers L.L.P., independent public accountants, as stated in their report appearing therein.

Selected academic and financial data for Rice is presented below:

**William Marsh Rice University
Selected Data**

Financial data:

Endowment market value (as of June 30, 2017)	\$ 5.8 billion
Annual budget (Fiscal Year 2018)	\$ 699.3 million
Increase in net assets (for the year ended June 30, 2017)	\$ 519.5 million
Endowment market value/student FTE ¹	\$ 877 thousand

Faculty Data

As of Fall 2016, Rice's administrative, teaching, and research faculty headcount totaled 882 including 318 professors, 112 associate professors, 96 assistant professors, 17 tenured administrators, and 14 other research faculty. In addition, there were 154 full-time and 171 part-time instructors and lecturers. On a full time equivalent (FTE) basis, tenured and tenure-track faculty totaled 520 and accounted for 71 percent of total faculty FTE.

	Fall 2012 ²	Fall 2013	Fall 2014	Fall 2015	Fall 2016
Faculty Headcount	820	863	860	867	882
Faculty, FTE	718	737	736	754	762
Instructional Tenured and Tenure Track Faculty, FTE ³	510	501	515	518	520
Instructional Tenured Faculty, FTE ³	400	408	421	425	424

In addition to faculty, as of Fall 2016, Rice employed 2,272 full-time and 174 part-time (2,330 FTE) non-academic staff. These employees include administrative staff, officers not on faculty appointment, police, and facilities, grounds, and kitchen staff. Rice outsources very few services. Texas is a right-to-work state. None of Rice's employees is represented by a union for collective bargaining purposes.

Student Enrollment Data

As of Fall 2017, Rice had an undergraduate and graduate student population of 6,904 degree-seeking students.

	2013-14	2014-15	2015-16	2016-17	2017-18
Number of students (degree seeking):					
Undergraduate	3,920	3,888	3,879	3,879	3,970
Graduate	2,567	2,610	2,744	2,861	2,934
Total	6,487	6,498	6,623	6,740	6,904

Undergraduate Student Enrollment Data

	2013-14	2014-15	2015-16	2016-17	2017-18
	Fall 13	Fall 14	Fall 15	Fall 16	Fall 17
Selectivity: ⁴					
Number of applications	15,415	17,728	17,951	18,236	18,063
Number of students admitted	2,581	2,677	2,865	2,785	2,864
Admit rate	17%	15%	16%	15%	16%
Number of students enrolled ⁵	978	949	969	981	1,048
Yield rate	38%	35%	34%	35%	37%
Freshman SAT:					
Top 25% scored at or above:	1520	1530	1540	1540	1570
Top 75% score at or above:	1400	1420	1410	1430	1480
Graduation rates ⁶	93% (2008 Cohort)	91% (2009 Cohort)	93% (2010 Cohort)	91% (2011 Cohort)	N/A

Graduate Student Enrollment Data for Masters and Doctoral Programs⁷

	2013-14	2014-15	2015-16	2016-17	2017-18
	Fall 13	Fall 14	Fall 15	Fall 16	Fall 17
Selectivity: ⁸					
Number of applications	7,734	7,752	8,109	8,888	8,894
Number of students admitted	1,525	1,657	1,875	2,078	2,180
Admit rate	20%	21%	23%	23%	24%
Number of students enrolled ⁹	798	843	906	957	1,015
Yield rate	52%	51%	48%	46%	47%

Endowment and Investments

The endowment market value was \$5.8 billion at June 30, 2017 compared with \$5.3 billion at June 30, 2016. Over the 3-, 5-, and 10- year periods ended June 30, 2017, the University has achieved nominal returns of approximately 6.0%, 9.9% and 6.4%, respectively.

Grants and Contracts

The following table summarizes grant and contract revenue received by Rice in the last five fiscal years.

Fiscal Year Ended June 30,					
	2013	2014	2015	2016	2017
	(\$000s)	(\$000s)	(\$000s)	(\$000s)	(\$000s)
Government	\$90,549	\$86,583	\$88,443	\$97,253	\$101,671
Private	27,226	30,126	38,633	37,924	33,585
Total	\$117,775	\$116,709	\$127,076	\$135,177	\$135,256

Gifts and Bequests

The following table presents total gifts and pledges received by Rice for the past five fiscal years by restriction category. The table includes gifts and pledges for property and endowment as well as for operations.

Fiscal Year Ended June 30,					
	2013	2014	2015	2016	2017
	(\$000s)	(\$000s)	(\$000s)	(\$000s)	(\$000s)
Unrestricted	\$25,231	\$33,545	\$41,926	\$38,753	\$42,311
Temporarily Restricted	43,271	37,436	73,325	26,732	25,493
Permanently Restricted	51,926	15,355	17,075	21,010	12,422
Total	\$120,428	\$86,336	\$132,326	\$86,495	\$80,226

Undergraduate Tuition Rates

The tuition rates for entering students and continuing students are shown below. In addition to tuition, all undergraduates are charged mandatory fees, which totaled \$708 for 2017-2018.

Academic Year	Tuition
2013-14	\$38,260
2014-15	\$39,880
2015-16	\$41,560
2016-17	\$43,220
2017-18	\$44,900

Miscellaneous

The information in this Annual Report is provided by William Marsh Rice University. This Annual Report is not made by William Marsh Rice University in connection with its purchase or sale of bonds and accordingly may not contain all information material to a decision to purchase or sell bonds.

The information set forth herein has been obtained from William Marsh Rice University's records and other sources which are considered reliable. Any statement in this Annual Report which includes a matter of opinion or estimates, whether or not expressly so stated, is intended merely as such, and not as a representation of fact. The information contained in this Annual Report is provided as of the respective dates specified herein and is subject to change without notice, and the filing of this Annual Report shall not, under any circumstances, create any implication that there has been no change in the affairs of William Marsh Rice University since the date as of which such information is provided.

In the Official Statement, William Marsh Rice University disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its Disclosure Agreement or from any statement made pursuant to its agreement, including the statements in this Annual Report.

William Marsh Rice University

¹ The endowment market value per student FTE is calculated by dividing the June 30, 2017 market value of the endowment by the fall 2016 degree-seeking FTE enrollment of 6,610 students.

² Beginning with Fall 2012, Rice is reporting faculty headcount based on IPEDS definitions.

³ In Fall 2016, Rice had 17 tenured faculty (15 Professors and 2 Associate Professors) serving in Executive/Administrative positions. These faculty are not included in Instructional Faculty counts.

⁴ For admissions in the academic year indicated.

⁵ Number of Undergraduate students enrolled is the count of students that matriculated (paid a deposit and attended the orientation meetings during the week before the first day of the fall semester).

⁶ Percent of students who enrolled in the prior 6 years and received a bachelor's degree in this or a preceding academic year.

⁷ Graduate student enrollment figures include doctoral students, professional master's and other terminal master's programs including Masters of Business Administration (MBA), Executive and Professional MBAs, Master of Accounting (MAcc), Master of Arts in Teaching (MAT), and Master of Liberal Studies (MLS) students.

⁸ For admissions in the academic year indicated.

⁹ Number of Graduate students enrolled as of the census date (Monday of the 8th week of the fall semester).