

**CONTINUING DISCLOSURE ANNUAL REPORT**

**Filed by**

**BOARD OF REGENTS OF THE TEXAS TECH UNIVERSITY SYSTEM**



**FISCAL YEAR 2016**

Pursuant to Undertaking Provided to  
Permit Compliance with SEC Rule 15c2-12  
Relating to  
Each Issue of the Board's Outstanding Parity Obligations Issued since 1996

**Texas Tech University System**  
Lubbock, Texas

Board of Regents

<u>Name</u>	<u>Term Expiration</u> <sup>(1)</sup>	<u>Residence</u>
Mr. Larry K. Anders <sup>(2)</sup>	January 31, 2017	Dallas, TX
Mr. John D. Esparza	January 31, 2019	Austin, TX
Mr. L. Frederick Francis	January 31, 2019	El Paso, TX
Mr. Tim Lancaster	January 31, 2019	Abilene, TX
Mr. Mickey L. Long	January 31, 2021	Midland, TX
Ms. Debbie Montford <sup>(2)</sup>	January 31, 2017	San Antonio, TX
Mr. Ronnie Hammonds	January 31, 2021	Houston, TX
Mr. Christopher M. Huckabee	January 31, 2021	Fort Worth, TX
Mr. John D. Steinmetz <sup>(2)</sup>	January 31, 2017	Lubbock, TX

Student Regent<sup>(3)</sup>

Mr. Jeremy Stewart ..... May 31, 2017 ..... Arlington, TX

Officers of the Board

Mr. Mickey L. Long ..... Chairman  
Ms. Debbie Montford ..... Vice Chairwoman  
Mr. Ben W. Lock ..... Secretary

Principal Administrators

<u>Name</u>	<u>Title</u>
Mr. Robert L. Duncan	Chancellor
Mr. Gary Barnes	Vice Chancellor and Chief Financial Officer
Dr. Lawrence Schovanec	TTU President
Dr. Tedd L. Mitchell	TTUHSC President
Dr. Brian J. May	ASU President
Dr. Richard A. Lange	TTUHSC at El Paso President

<sup>(1)</sup> The actual expiration date of the term depends on the date the successor is appointed, qualified and takes the oath of office.

<sup>(2)</sup> J. Michael Lewis and John B. Walker have been appointed as members of the Board to succeed Debbie Montford and Larry K. Anders, and John D. Steinmetz has been reappointed as a member of the Board, all with terms expiring January 31, 2023. Such appointments are subject to the approval of the Texas Senate and taking the oath of office. The actual expiration date of the term depends on the date the successor is appointed, qualified, and takes the oath of office.

<sup>(3)</sup> Student Regent. Current state law does not allow a Student Regent to vote on any matter before the Board.

This information is being provided by the Board of Regents (“Board”) of the Texas Tech University System (“University System”) in compliance with the contractual undertaking (“Undertaking”) to provide annual reports of financial information and operating data, as required by Rule 15c2-12 (“Rule”) of the Securities and Exchange Commission, regarding each issue of the Board’s outstanding Parity Obligations issued since 1996 (“Issues”).

This Annual Report contains financial information and operating data with respect to the University System. Information in this Annual Report has been compiled from the University System’s records and other sources which are believed by the Board to be reliable. This report is provided in satisfaction of the Board’s Undertaking, and contains information prescribed by the Rule. The Board does not make any warranty concerning the usefulness of such information to a decision to invest in, hold, or sell bonds, notes, or other obligations payable, in whole or in part, from the sources pledged for the payment of the Issues. Information agreed to be provided by the Board may be reported in full text herein, or may be incorporated by reference to certain other publicly available documents. The Board is required by the Undertaking to provide information annually by a date not more than 180 days following the close of its fiscal year, for as long as any of the Issues are outstanding.

## **General Overview**

The Texas Tech University System is composed of a central administrative agency, the Texas Tech University System Administration, and four component institutions – Texas Tech University, Texas Tech University Health Sciences Center, and Angelo State University, and Texas Tech University Health Sciences Center at El Paso. These four separate academic institutions are governed by the ten-member Board of Regents. The Regents are appointed by the Governor of the State of Texas to six-year terms with the exception of a student Regent who is appointed to a one-year term. The Chancellor is the chief executive officer of the System and is appointed by, and reports directly to, the Board of Regents. The Chancellor is supported by the Texas Tech University System Administration.

The Texas Tech University System employs more than 17,000 faculty and staff. The annual combined budget of the System is approximately \$2 billion. Approximately \$458 million of these funds are appropriated by the Texas Legislature and about \$225 million in research expenditures annually. The total enrollment across all components is more than 51,000 students.

The Texas Tech University System is committed to providing the highest quality and most efficient resources and services to its components. Throughout all institutions and centers, the University System strives to increase accessibility, enhance instruction and infrastructure formula funding, provide necessary financial aid, produce and commercialize new technologies, strengthen academic quality and reputation, advance research, improve productivity and efficiency, and further the quality and availability of health care for all Texans.

Texas Tech University, based in Lubbock, Texas, was established in 1923 as Texas Technological College. The University is one of the state’s largest major comprehensive universities in terms of square miles. Over 35,000 students enroll annually, coming from 49 states and more than 113 foreign countries. These students choose from among 106 undergraduate, 103 masters, and 54 doctoral programs through ten different colleges, School of Law and the Graduate School. The University also hosts over 60 research centers and institutions. The University has limited educational facilities located in the Texas cities of El Paso, Junction, Fredericksburg, Marble Falls, Highland Lakes, and Waco, Collin County, TX and in Seville, Spain. Since 1996, Texas Tech University is a charter member of the Big 12 Conference with sixteen NCAA Division I competing varsity sports.

Texas Tech University Health Sciences Center (“TTUHSC”) has an enrollment of over 4,400 students in its five schools of Medicine, Nursing, Health Professions, Pharmacy and Graduate School of Biomedical Sciences. The Lubbock campus serves as the administrative hub for the Health Sciences Center, with regional

campuses located in Abilene, Amarillo, the Permian Basin (Odessa/Midland), and the Dallas/Fort Worth metroplex.

The Texas Tech Physician Associates (“TTPA”), a non-profit medical practice comprised of faculty and staff from the Texas Tech University Health Sciences Center, serves more than 250,000 patients annually in 108-county area stretching from Texas Panhandle south to the Permian Basin and west into New Mexico. TTPA provides a direct teaching base for the students enrolled at TTUHSC and with clinics.

Since 1989, TTUHSC provided medical services to the Texas State Prisons. In 1993, TTUHSC formally partnered with the Texas Department of Criminal Justice (“TDCJ”) and the University of Texas Medical Branch (“UTMB”) at Galveston in providing comprehensive correctional managed health care services to more than 32,000 adult offenders in Texas state prisons. TTUHSC serves the prisons located in West Texas where as UTMB serves East Texas. Full funding for these services is appropriated bi-annually through the State Legislature Budget process. These services from TTUHSC are accredited by the American Correctional Association (ACA).

Angelo State University, based in San Angelo, was established in 1928 as San Angelo College; in 1965 new legislation was passed to create Angelo State College. ASU’s campus covers more than 268 acres and enrolls approximately 9,500 students from 210 of Texas’ 254 counties, 41 other states, and 22 countries. The Texas Legislature (80th Regular Session) passed House Bill 3564 and pursuant to the statute, the governance, control, management and property of Angelo State University were transferred from the Texas State University System to the Texas Tech University System, effective September 1, 2007.

Texas Tech University Health Sciences Center at El Paso, historically structured as a regional campus under the Texas Tech University Health Sciences Center, received authorization May 18<sup>th</sup> 2013 when Gov. Rick Perry signed Senate Bill 120 making TTUHSC at El Paso the fourth component institution effective immediately. Existing since 1973, the campus has grown significantly to serve the El Paso community through education, research and patient care. Programs include the Paul L. Foster School of Medicine, Gayle Greve Hunt School of Nursing and Graduate School of Biomedicine where students receive a comprehensive, practical education preparing them for the health care field. El Paso, the fourth most populous city in the state of Texas and nineteenth in the US, is a medical hub of West Texas and Southern New Mexico. The region has been federally designated as a medically underserved area.

Accreditation The institutions, agencies, and services comprising the University System are members of the following professional associations and accredited by those which apply accreditation standards: Commission on Colleges of the Southern Association of Colleges and Schools; National Commission on Accrediting; Association of Texas Colleges and Universities; American Council on Education; Association of American Colleges; American Association of State Colleges and Universities, Council on Higher Education; Association of Urban Universities; National Association of State Universities and Land-Grant Colleges; and Liaison Committee on Medical Education.

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## Pledged Revenues

As outlined in the Master Resolution, Parity Obligations are secured by Pledged Revenues of the University System’s Revenue Financing System. The Pledged Revenues consist of Revenue Funds and lawfully available (unappropriated) reserve and fund balances with certain exceptions. Revenue Funds are defined in Section 55.01 of the Texas Education Code as revenues, incomes, receipts, rentals, rates, charges, fees, grants, and tuition levied or collected from any public or private source by an institution of higher education, including interest or other income from those funds.

Set forth below is the information relating to the University System’s Pledged Revenues for the last four fiscal years.

<b><u>Pledged Revenues and Balances Available for Debt Service (\$000)</u></b>				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Available Pledged Revenues Not Including Fund Balances <sup>(1)</sup>	\$ 681,302	\$ 723,525	\$ 731,255	\$ 757,477
Available Pledged Revenues Fund Balances <sup>(2)</sup>	<u>522,776</u>	<u>574,224</u>	<u>651,190</u>	<u>713,879</u>
<b>Total Pledged Revenues and Pledged Fund Balances</b>	<b><u>\$ 1,204,079</u></b>	<b><u>\$ 1,297,749</u></b>	<b><u>\$ 1,382,446</u></b>	<b><u>\$ 1,471,356</u></b>

<sup>(1)</sup> Excludes (i) State appropriations for the reimbursement of debt service on certain Tuition Revenue Bonds of the University System and (ii) amounts received from the Higher Education Fund pursuant to Article VII, Section 17 of the State Constitution. See “Additional Sources of Payment: TRB and HEF” below and “Appendix A — TEXAS TECH UNIVERSITY SYSTEM – Selected Financial Information – Funding for the University System and its Member Institutions – Tuition Revenue Bonds.”

<sup>(2)</sup> In addition to current year Pledged Revenues, any unappropriated or reserve fund balances remaining at Fiscal Year-end are available for payment of debt service on Parity Obligations coming due during the subsequent year. In addition, historically, the Board has set aside certain reserve fund balances for specified University System purposes.

<b><u>Additional Sources of Payment: TRB and HEF (\$000)</u></b>					
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Available HEF Appropriations <sup>(1)</sup>	\$ 44,653	\$ 44,653	\$ 44,653	\$ 56,102	\$ 84,152
TRB Appropriations	<u>26,119</u>	<u>25,525</u>	<u>24,135</u>	<u>22,263</u>	<u>41,390</u>
<b>Total Additional Sources of Payment</b>	<b><u>\$ 70,772</u></b>	<b><u>\$ 70,178</u></b>	<b><u>\$ 68,788</u></b>	<b><u>\$ 78,365</u></b>	<b><u>\$ 125,542</u></b>

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## **Outstanding Obligations**

As of August 31, 2016, the University System had the following Parity Obligations:

### **Revenue Financing System**

Revenue Financing System Commercial Paper Notes	52,096,000
Revenue Financing System Bonds, 12 <sup>th</sup> Series 2009	94,205,000
Revenue Financing System Bonds, 14 <sup>th</sup> Series 2012A	130,685,000
Revenue Financing System Taxable Bonds, 15 <sup>th</sup> Series 2012B	23,800,000
Revenue Financing System Taxable Bonds, 16 <sup>th</sup> Series 2015A	72,440,000
Revenue Financing System Taxable Bonds, 17 <sup>th</sup> Series 2015B	239,290,000
TOTAL	<u>\$ 618,768,000</u>

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Set forth below is a summary of the debt service requirements of all Parity Obligations outstanding as of August 31, 2016:



**TEXAS TECH UNIVERSITY SYSTEM RFS BONDS**

DEBT SERVICE

ALL SERIES

As of August 31, 2016 to Maturity

Date	Principal	Coupon	Interest	Debt Service	Bond Balance
8/31/2016					558,125,000
8/31/2017	40,235,000	**	20,448,494	60,683,494	517,890,000
8/31/2018	42,595,000	**	19,317,469	61,912,469	475,295,000
8/31/2019	41,620,000	**	18,087,800	59,707,800	433,675,000
8/31/2020	42,605,000	**	16,746,310	59,351,310	391,070,000
8/31/2021	41,255,000	**	15,323,293	56,578,293	349,815,000
8/31/2022	33,645,000	**	14,010,432	47,655,432	316,170,000
8/31/2023	29,820,000	**	12,783,278	42,603,278	286,350,000
8/31/2024	30,310,000	**	11,649,337	41,959,337	256,040,000
8/31/2025	31,435,000	**	10,482,744	41,917,744	224,605,000
8/31/2026	26,050,000	**	9,345,147	35,395,147	198,555,000
8/31/2027	25,710,000	**	8,282,710	33,992,710	172,845,000
8/31/2028	25,055,000	**	7,246,471	32,301,471	147,790,000
8/31/2029	19,110,000	**	6,341,891	25,451,891	128,680,000
8/31/2030	17,200,000	**	5,607,833	22,807,833	111,480,000
8/31/2031	17,290,000	**	4,898,465	22,188,465	94,190,000
8/31/2032	14,725,000	**	4,131,854	18,856,854	79,465,000
8/31/2033	15,440,000	**	3,415,451	18,855,451	64,025,000
8/31/2034	15,060,000	**	2,685,120	17,745,120	48,965,000
8/31/2035	10,210,000	**	2,079,704	12,289,704	38,755,000
8/31/2036	9,155,000	**	1,619,447	10,774,447	29,600,000
8/31/2037	5,790,000	**	1,171,855	6,961,855	23,810,000
8/31/2038	6,065,000	**	892,890	6,957,890	17,745,000
8/31/2039	4,045,000	**	679,563	4,724,563	13,700,000
8/31/2040	4,210,000	**	517,052	4,727,052	9,490,000
8/31/2041	3,485,000	**	364,090	3,849,090	6,005,000
8/31/2042	1,410,000	4.172%	221,116	1,631,116	4,595,000
8/31/2043	1,470,000	4.172%	161,039	1,631,039	3,125,000
8/31/2044	1,530,000	4.172%	98,459	1,628,459	1,595,000
8/31/2045	1,595,000	4.172%	33,272	1,628,272	
	558,125,000		198,642,586	756,767,586	

Set forth below reflects a portion of all Parity Obligations identified as Tuition Revenue Bonds (TRB). For more information, see “Tuition Revenue Bonds” in the “Selected Financial Information” section as listed below.

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**TEXAS TECH UNIVERSITY SYSTEM RFS BONDS**

DEBT SERVICE



ALL SERIES SUB TOTAL  
TRB (Tuition Revenue Bonds)  
As of August 31, 2016 to Maturity

Period Ending	Principal	Interest	Annual Debt Service	Obligations Balance
8/31/2016				141,603,110
8/31/2017	15,799,720	5,272,468	21,072,188	125,803,390
8/31/2018	17,329,710	4,727,120	22,056,830	108,473,680
8/31/2019	16,259,690	4,140,961	20,400,651	92,213,990
8/31/2020	16,304,680	3,534,013	19,838,693	75,909,310
8/31/2021	16,919,660	2,885,212	19,804,872	58,989,650
8/31/2022	13,794,650	2,262,970	16,057,620	45,195,000
8/31/2023	9,270,000	1,719,626	10,989,626	35,925,000
8/31/2024	9,645,000	1,361,908	11,006,908	26,280,000
8/31/2025	10,000,000	983,763	10,983,763	16,280,000
8/31/2026	6,040,000	650,816	6,690,816	10,240,000
8/31/2027	4,990,000	387,250	5,377,250	5,250,000
8/31/2028	5,250,000	131,250	5,381,250	
	141,603,110	28,057,357	169,660,467	

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The two aforementioned tables include all Angelo State University debt that has been issued as part of the University System Revenue Financing System. Prior to September 1, 2007, Angelo State was under the Texas State University System (“TSUS”) umbrella. The University System is in agreement with TSUS on which portion of Angelo State’s debt outstanding is considered Texas State System’s obligation and Angelo State is to continue to make payments.

Set forth below is the remaining debt service schedule for Angelo State’s portion of TSUS Revenue Financing System.

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**TEXAS STATE UNIVERSITY SYSTEM RFS BONDS**  
**DEBT SERVICE**  
**DEBT SERVICE - ANGELO STATE UNIVERSITY**  
**ALL SERIES**  
as of August 31, 2015 to Maturity

Date	Principal	Interest	Annual Debt Service	Bond Balance
8/31/2015			2,515,242	7,030,000
8/31/2016	1,295,000	351,500	1,646,500	5,735,000
8/31/2017	850,000	286,750	1,136,750	4,885,000
8/31/2018	890,000	244,250	1,134,250	3,995,000
8/31/2019	935,000	199,750	1,134,750	3,060,000
8/31/2020	985,000	153,000	1,134,750	2,075,000
8/31/2021	1,015,000	103,750	1,118,750	1,060,000
8/31/2022	1,060,000	53,000	1,113,000	-
	7,030,000	1,392,000	10,933,992	

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Set forth below is the remaining debt service schedule for Angelo State’s portion of TSUS Revenue Financing System identified as Tuition Revenue Bonds (TRB). For more information, see “Tuition Revenue Bonds” in the “Selected Financial Information” section as listed below.

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**TEXAS STATE UNIVERSITY SYSTEM RFS BONDS**  
**DEBT SERVICE - ANGELO STATE UNIVERSITY**  
**TRB (Tuition Revenue Bonds)**  
as of August 31, 2015 to Maturity

Date	Principal	Interest	Annual Debt Service	Bond Balance
8/31/2015			1,118,500	6,470,000
8/31/2016	795,000	323,500	1,118,500	5,675,000
8/31/2017	840,000	283,750	1,123,750	4,835,000
8/31/2018	880,000	241,750	1,121,450	3,955,000
8/31/2019	925,000	197,750	1,122,750	3,030,000
8/31/2020	975,000	151,500	1,126,500	2,055,000
8/31/2021	1,005,000	102,750	1,107,750	1,050,000
8/31/2022	1,050,000	52,500	1,102,500	-
	6,470,000	1,353,500	8,941,700	

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## Enrollment

Set forth below is the fall semester headcount and full-time equivalent enrollment at Texas Tech University System for each of the last five fall semesters:

### **Headcount Enrollment Information**

<u>Undergraduate</u>	<u>Fall 2016</u>	<u>Fall 2015</u>	<u>Fall 2014</u>	<u>Fall 2013</u>	<u>Fall 2012</u>
Texas Tech University	29,963	29,237	28,632	27,044	26,494
Health Sciences Center	1,407	1,355	1,362	1,243	1,305
Health Sciences Center at El Paso	174	137	105	103	
Angelo State University	8,094	7,273	5,425	5,546	6,008
Undergraduate Total	39,638	38,002	35,524	33,936	33,807
<u>Graduate &amp; Professional</u>					
Texas Tech University	6,588	6,622	6,526	6,067	5,986
Health Sciences Center	3,218	3,119	3,101	2,871	3,065
Health Sciences Center at El Paso	433	387	363	302	
Angelo State University	1,487	1,235	1,069	990	880
Graduate Total	11,726	11,363	11,059	10,230	9,931
Total	51,364	49,365	46,583	44,166	43,738

### **Full-Time Equivalent Enrollment Information**

<u>Undergraduate</u>	<u>Fall 2016</u>	<u>Fall 2015</u>	<u>Fall 2014</u>	<u>Fall 2013</u>	<u>Fall 2012</u>
Texas Tech University	28,212	28,002	27,418	25,959	25,390
Health Sciences Center	1,328	1,277	1,277	1,182	1,251
Health Sciences Center at El Paso	152	128	105	103	
Angelo State University	6,529	5,866	5,100	5,205	5,628
Undergraduate Total	36,221	35,272	33,900	32,449	32,269
<u>Graduate &amp; Professional</u>					
Texas Tech University	5,215	5,399	5,339	4,972	4,937
Health Sciences Center	2,788	2,731	2,731	2,530	2,721
Health Sciences Center at El Paso	433	387	363	302	
Angelo State University	1,190	975	828	766	664
Graduate Total	9,626	9,492	9,261	8,570	8,322
Total	45,847	44,765	43,161	41,019	40,591

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## **Admissions and Matriculation**

Set forth below is the information relating to admissions and matriculation for Texas Tech University System for the general academic institutions (Texas Tech University and Angelo State University) for each of the last five fall semesters:

	<b>Admissions and Matriculation Information</b>									
	2016	%	2015	%	2014	%	2013	%	2012	%
Freshman:										
Applications Submitted	27,861	--	26,979	--	25,519	--	21,922	--	20,639	--
Applications Accepted	17,889	64.2	17,555	65.1	17,427	68.3	14,925	68.1	14,445	70.0
Matriculation	6,327	35.4	6,485	36.9	6,902	39.6	6,005	40.2	5,966	41.3
Matriculation from outside state	417	6.6	476	7.3	509	7.4	325	5.4	663	11.1
Transfers:										
Applications Submitted	6,323	--	5,984	--	6,139	--	5,625	--	5,264	--
Applications Accepted	5,016	79.3	5,048	84.4	4,975	81.0	4,523	80.4	4,347	82.6
Matriculation	3,473	69.2	3,343	66.2	3,264	65.6	3,119	69.0	2,963	68.2
Matriculation from outside state	292	8.4	342	10.2	298	9.1	274	8.8	291	9.8
Graduates:										
Applications Submitted	8,471	--	8,583	--	8,094	--	5,303	--	6,083	--
Applications Accepted	4,115	48.6	3,809	44.4	3,864	47.7	2,804	52.9	2,803	46.1
Matriculation	2,238	54.4	3,337	87.6	2,053	53.1	2,028	72.3	1,742	62.1
Matriculation from outside state	735	32.8	763	22.9	841	41.0	583	28.7	453	26.0

## **Financial Statements**

The University System is an agency of the State and its financial records reflect compliance with applicable State statutes and regulations. The fiscal year of the State and the University System begins on September 1 of each year. Annually, an unaudited financial report dated as of August 31, is prepared for the University System no later than November 20 and then delivered to the Governor and the State Comptroller of Public Accounts. The State in turn issues an audited Combined Annual Financial Report (CAFR), prepared in accordance with generally accepted accounting principles, encompassing all activities generally considered part of the State. The State Auditor's Office annually audits the general-purpose activities of the State and contracts with an outside firm to audit certain portions in compliance with federal audit procedures. Both the State Auditor and contracted auditing firm each express an opinion of the CAFR. However, neither the State Auditor nor the contracted auditing firm express opinions on the financial reports of individual agencies and/or member units, including the University System. Therefore, no independent audit of the University System is required.

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Set forth below reflects the condensed statement of net position of the University System as of August 31, 2012 through 2016.

**Condensed Statement of Net Position (unaudited)**  
**As of August 31**  
**(In Thousands)**

<b>Assets:</b>	<b>2016</b>	<b>Restated 2015</b>	<b>Restated 2014</b>	<b>Restated 2013</b>	<b>Restated 2012</b>
Current Assets	\$756,511	\$634,847	\$686,050	\$770,743	\$771,009
Capital Assets, Net	1,499,205	1,467,174	1,456,811	1,402,227	1,413,353
Other Assets	1,928,267	1,853,500	1,732,347	1,377,298	1,216,368
<b>Total Assets</b>	<b>\$4,183,983</b>	<b>\$3,955,521</b>	<b>\$3,875,208</b>	<b>\$3,550,268</b>	<b>\$3,400,730</b>
 Deferred Outflows of Resources:					
Total Deferred Outflows of Resources	\$38,050	\$27,390	\$15,376	\$0	\$0
 Liabilities:					
Current Liabilities	\$491,576	\$416,247	\$499,902	\$409,312	\$375,911
Non-Current Liabilities	\$770,503	790,961	704,872	537,257	570,256
<b>Total Liabilities</b>	<b>\$1,262,079</b>	<b>\$1,217,708</b>	<b>\$1,204,774</b>	<b>\$946,569</b>	<b>\$946,167</b>
 Deferred Inflows of Resources:					
Total Deferred Inflows of Resources	\$31,960	\$49,527	\$0	\$0	\$0
 Net Position:					
Invested in Capital Assets, Net of Related Debt	\$900,672	\$850,610	\$876,825	\$853,461	\$862,710
Restricted					
Expendable	502,192	458,107	493,314	410,257	369,077
Non-Expendable	670,409	648,049	627,514	581,048	540,938
Unrestricted	854,719	769,409	688,156	758,933	681,838
<b>Total Net Position</b>	<b>\$2,927,992</b>	<b>\$2,726,175</b>	<b>\$2,685,809</b>	<b>\$2,603,699</b>	<b>\$2,454,563</b>

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Set forth below reflects the statement of revenues, expenses, and changes in net position of the University System as of August 31, 2012 through 2016.

**Condensed Statement of Revenues, Expenses and Changes in Net Position (unaudited)  
as of August 31 (in thousands)**

	<u>2016</u>	<u>Restated 2015</u>	<u>Restated 2014</u>	<u>Restated 2013</u>	<u>Restated 2012</u>
<b>Operating Revenues</b>	\$1,239,284	\$ 1,145,409	\$ 1,083,896	\$ 1,024,058	\$ 961,189
<b>Operating Expenses</b>	<u>1,785,226</u>	<u>1,668,496</u>	<u>1,586,075</u>	<u>1,498,664</u>	<u>1,410,784</u>
<b>Operating Income (Loss)</b>	(545,941)	(523,088)	(502,179)	(474,607)	(449,596)
<b>Non-Operating Revenues (Expenses)</b>	<u>649,354</u>	<u>521,802</u>	<u>672,474</u>	<u>528,592</u>	<u>509,620</u>
<b>Income (Loss) before Other Revenues, Expenses, Gains, Losses and Transfers</b>	103,412	(1,286)	170,295	53,985	60,024
<b>Other Revenues, Expenses, Gains, Losses and Transfers</b>	<u>92,330</u>	<u>41,705</u>	<u>79,199</u>	<u>95,149</u>	<u>72,048</u>
<b>Changes in Net Position</b>	<u>195,742</u>	<u>40,419</u>	<u>249,494</u>	<u>149,135</u>	<u>132,072</u>
<b>Beginning Net Position (September 1)</b>	2,726,175	2,685,609	2,603,698	2,454,563	2,420,617
Restatement of Beginning Net Position	6,075	(53)	(167,383)		(98,125)
<b>Ending Net Position (August 31)</b>	<u>\$2,927,992</u>	<u>\$2,726,175</u>	<u>\$2,685,809</u>	<u>\$2,603,698</u>	<u>\$2,454,563</u>

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Set forth below reflects the condensed statement of cash flows of the University System as of August 31, 2014 through 2016.

	<b>2016</b>	<b>Restated 2015</b>	<b>Restated 2014</b>	<b>Restated 2013</b>	<b>Restated 2012</b>
<b>Cash Flow From</b>					
Operating Activities	(393,793)	(398,666)	(363,069)	(363,295)	(349,703)
Non-capital Financing Activities	586,093	573,017	559,872	499,481	523,952
Capital and Related Financing Activities	(143,362)	(104,273)	(115,691)	(88,409)	(102,828)
Investing Activities	(3,721)	(141,149)	(178,692)	(57,584)	(16,044)
Total Net Cash Flows	45,217	(71,071)	(97,580)	(9,807)	55,377
Cash & Cash Equivalents, Beginning of Year Sept 1	341,314	412,384	509,696	520,070	464,693
Restatement to Beginning Cash & Cash Equivalents			268	(567)	(831)
<b>Ending Cash &amp; Cash Equivalents - August 31</b>	<b>\$386,531</b>	<b>\$341,313</b>	<b>\$412,384</b>	<b>\$509,696</b>	<b>\$519,239</b>

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### **Selected Financial Information**

Tuition Revenue Bonds. A portion of the Parity Obligations of the University System constitute Tuition Revenue Bonds (defined in Chapter 55 of the Texas Education Code). Tuition Revenue Bonds issued by the University System carry no additional pledge or security and constitute Parity Obligations of the University System which are equally and ratably secured by and payable from a pledge of and lien on Pledged Revenues on parity with all other Parity Obligations of the University System. The State Legislature has appropriated funds to reimburse the University System in prior years in an amount equal to all or a portion of the debt service on the University System’s Tuition Revenue Bonds.

The University System can provide no assurances with respect to any future appropriations by the State Legislature. Future levels of State appropriations are dependent upon the ability and willingness of the State Legislature to make appropriations to the University System taking into consideration the availability of financial resources and other potential uses of such resources.

Set forth below reflects the Tuition Revenue Bond Appropriations in the past 2014-15 and the current 2016-17 biennium of the State Budget.

**2014-2017 State Tuition Revenue Bond (TRB) Appropriations  
(In Thousands)**

	2017	2016	2015	2014
Texas Tech University	\$12,580	\$7,162	\$9,052	\$9,053
TTU Health Sciences Center	11,910	5,695	12,370	12,512
Angelo State University	4,390	2,738	2,713	3,959
TTUHSC at El Paso	12,510	6,667	-	-
System Administration	-	-	-	-
Total TRBs	\$41,390	\$22,261	\$24,135	\$25,524

Tuition and Fees Each component institution that grants degrees charges tuition and fees as set by the State Legislature and the Board under Chapters 54 and 55 of the Texas Education Code. Tuition charges are comprised of “State Mandated Tuition” and “Board Designated Tuition.” Mandatory fees comprise charges of certain activities and services utilized by all students. Each component institution charges various types of fees and in various amounts.

Fixed Rate Tuition Sections 54.016 and 54.017 of the Texas Education Code authorize the state’s general academic teaching institutions and junior colleges to provide an option for fixed price tuition beginning in fall 2014. Both Texas Tech University and Angelo State University have chosen to offer fixed price tuition plans. This option “freezes” only the designated tuition portion of a student’s cost of attendance for a period of twelve continuous semesters equating to four academic years. Incoming undergraduates, either via transfer from another institution or no prior college attendance, beginning with the fall 2014 semester are eligible to choose the fixed rate tuition plan. Dual high school credit is not considered prior college attendance. Students who have previously enrolled at Texas Tech University or Angelo State University and are returning from another institution and students classified either as graduate or non-resident distance education are not eligible for the plan. The opt-in period starts at registration for classes and ends on the day before the first day of class. Students can opt-out one-time at any time but will be reverted to original designated tuition rate in the succeeding semester. Students who elected to not participate will not be able to opt-in at a later date. The fixed tuition rate will be set each academic year for the incoming undergraduate classes.



Any changes in tuition or fees will originate and be recommended by the President of the component institution, reviewed by the Chancellor and approved by the Board. Any changes in tuition will be implemented only after thorough consultation and review.

Set forth below is a table showing the State Mandated Tuition, Board Designated Tuition, Board Authorized Tuition, mandatory fees, and the amount set aside for financial assistance to resident and non-resident students by each institution, excluding the Health Sciences Centers, for the 2014-15 academic year based on 15 semester credit hours (SCH) per semester for undergraduate students, 12 semester credit hours (SCH) per semester for graduate students.

**Texas Tech University  
Tuition and Fees  
Academic Year 2016-2017**

	<b>State Mandated Tuition</b>	<b>Board Designated Tuition</b>	<b>Board Authorized Tuition</b>	<b>Mandatory Fees</b>	<b>Total Tuition &amp; Fees</b>	<b>Financial Assistance Set Aside</b>
<b>Resident Undergrad (15 SCH)</b>	\$750.00	\$3,195.00	\$0.00	\$1,365.50	\$5,310.50	\$488.25
<b>Non-Resident Undergrad (15 SCH)</b>	6,870.00	3,195.00	0.00	1,365.50	11,430.50	206.10
<b>Resident Graduate (12 SCH)</b>	600.00	2,556.00	600.00	1,214.00	4,970.00	390.60
<b>Non-Resident Graduate (12 SCH)</b>	5,496.00	2,556.00	600.00	1,214.00	9,866.00	164.88
<b>Resident Law (15 SCH)</b>	1,200.00	5,700.00	2,400.00	2,138.00	11,438.00	931.50
<b>Non-Resident Law (15 SCH)</b>	6,870.00	5,700.00	2,400.00	2,138.00	17,108.00	206.10
<b>Fixed Rate Plan Tuition and Fees</b>						
<b><u>Fall 2014 Cohort</u></b>						
<b>Resident Undergrad (15 SCH)</b>	\$750.00	\$2,815.50	\$0.00	\$2,040.50	\$5,606.00	\$431.33
<b>Non-Resident Undergrad (15 SCH)</b>	\$6,870.00	\$2,815.50	\$0.00	\$2,040.50	\$11,726.00	\$206.10
<b><u>Fall 2015 Cohort</u></b>						
<b>Resident Undergrad (15 SCH)</b>	\$750.00	\$2,928.15	\$0.00	\$2,040.50	\$5,718.65	\$448.22
<b>Non-Resident Undergrad (15 SCH)</b>	\$6,870.00	\$2,928.15	\$0.00	\$2,040.50	\$11,838.65	\$206.10
<b><u>Fall 2016 Cohort</u></b>						
<b>Resident Undergrad (15 SCH)</b>	\$750.00	\$3,495.00	\$0.00	\$1,365.50	\$5,610.50	\$533.25
<b>Non-Resident Undergrad (15 SCH)</b>	\$6,870.00	\$3,495.00	\$0.00	\$1,365.50	\$11,730.50	\$206.10

NOTE: A fixed international student fee of \$75 for TTU students & \$50 for ASU students is charged to all non-immigrant visa students for each term in which they enroll in the University System. Total tuition and fees includes amounts required to be set aside for financial assistance in accordance with applicable provisions of the Texas Education Code. The set-aside amounts are calculated as follows: from State Mandated Tuition not less than 15% nor more than 20% of each resident student's tuition charge and 3% of each non-resident student's tuition charge is set aside for Texas Public Education Grants (Section 56.033); \$2 for each semester hour for which a doctoral student is enrolled is set aside for the Doctoral Loan Incentive Program (Section 56.095); from Board Designated Tuition no less than 20% charged to resident undergraduate students in excess of \$46 per semester hour (Section 56.011) and no less than 15% charged to resident graduate students in excess of \$46 per semester hour is set aside for financial assistance (Section 56.012). Of the set-aside from Board Designated Tuition for resident undergraduate students, 5% charged to resident undergraduate students in excess of \$46 per semester hour is deposited in the State Treasury into the Texas B-On-Time Loan Program (Section 56.465). In addition, 15% of Board Designated Tuition charged to non-resident students in excess of \$46 per semester hour is set aside to provide financial assistance for non-resident students.

**Angelo State University  
Tuition and Fees  
Academic Year 2016-2017**

	<b>State Mandated Tuition</b>	<b>Board Designated Tuition</b>	<b>Board Authorized Tuition</b>	<b>Mandatory Fees</b>	<b>Total Tuition &amp; Fees</b>	<b>Financial Assistance Set Aside</b>
<b>Resident Undergraduate (15 SCH)</b>	\$750.00	\$1,728.00	\$0.00	\$1,541.00	\$4,019.00	\$268.20
<b>Non-Resident Undergrad (15 SCH)</b>	6,870.00	1,728.00	0.00	1,541.00	10,139.00	206.10
<b>Resident Graduate (12 SCH)</b>	600.00	1,382.40	540.00	1,501.00	4,023.40	214.56
<b>Non-Resident Graduate (12 SCH)</b>	5,496.00	1,382.40	540.00	1,501.00	8,919.40	164.88

**Fixed Rate Plan Tuition and Fees**

**Fall 2014 Cohort**

<b>Resident Undergraduate (15 SCH)</b>	\$750.00	\$1,814.40	\$0.00	\$1,541.00	\$4,105.40	\$281.16
<b>Non-Resident Undergrad (15 SCH)</b>	6,870.00	1,814.40	0.00	1,541.00	10,225.40	206.10

**Fall 2015 Cohort**

<b>Resident Undergraduate (15 SCH)</b>	750.00	1,780.80	0.00	1,541.00	4,071.80	276.12
<b>Non-Resident Undergrad (15 SCH)</b>	6,870.00	1,780.80	0.00	1,541.00	10,191.80	206.10

**Fall 2016 Cohort**

<b>Resident Undergraduate (15 SCH)</b>	750.00	1,696.20	0.00	1,541.00	3,987.20	263.43
<b>Non-Resident Undergrad (15 SCH)</b>	6,870.00	1,696.20	0.00	1,541.00	10,107.20	206.10

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NOTE: A fixed international student fee of \$75 for TTU students & \$50 for ASU students is charged to all non-immigrant visa students for each term in which they enroll in the University System. Total tuition and fees includes amounts required to be set aside for financial assistance in accordance with applicable provisions of the Texas Education Code. The set-aside amounts are calculated as follows: from State Mandated Tuition not less than 15% nor more than 20% of each resident student's tuition charge and 3% of each non-resident student's tuition charge is set aside for Texas Public Education Grants (Section 56.033); \$2 for each semester hour for which a doctoral student is enrolled is set aside for the Doctoral Loan Incentive Program (Section 56.095); from Board Designated Tuition no less than 20% charged to resident undergraduate students in excess of \$46 per semester hour (Section 56.011) and no less than 15% charged to resident graduate students in excess of \$46 per semester hour is set aside for financial assistance (Section 56.012). Of the set-aside from Board Designated Tuition for resident undergraduate students, 5% charged to resident undergraduate students in excess of \$46 per semester hour is deposited in the State Treasury into the Texas B-On-Time Loan Program (Section 56.465). In addition, 15% of Board Designated Tuition charged to non-resident students in excess of \$46 per semester hour is set aside to provide financial assistance for non-resident students.

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Set forth below is a table showing the State Mandated Tuition, Board Designated Tuition, Board Authorized Tuition, mandatory fees, and the amount set aside for financial assistance for full-time resident and non-resident students at the Health Sciences Center.

**Health Sciences Center  
Tuition and Fees  
Academic Year 2016-2017**

	State Mandated Tuition	Board Designated Tuition	Board Authorized Tuition	Mandatory Fees	Total Tuition & Fees	Financial Assistance Set-Aside
<b>M.D. Resident</b>						
Year 1 - 2	\$6,550.00	\$8,466.00	\$0.00	\$2,353.70	\$17,369.70	\$1,891.88
Year 3	6,550.00	8,466.00	0.00	2,293.70	17,309.70	1,891.88
Year 4	6,550.00	8,466.00	0.00	1,493.70	16,509.70	1,891.88
<b>M.D. Non-Resident</b>						
Year 1 - 2	19,650.00	8,466.00	0.00	2,353.70	30,469.70	1,498.88
Year 3	19,650.00	8,466.00	0.00	2,293.70	30,409.70	1,498.88
Year 4	19,650.00	8,466.00	0.00	1,493.70	29,609.70	1,498.88
<b>Graduate Students</b>						
Resident (24 SCH)	1,200.00	2,208.00	0.00	1,520.40	4,928.40	345.60
Non-Resident (24 SCH)	10,992.00	2,208.00	0.00	1,520.40	14,720.40	495.36
<b>Health Professions</b>						
Undergrad – Resident Year 1-2 (37 SCH)	1,850.00	5,180.00	0.00	1,844.90	8,874.90	973.10
Undergrad - Non-Resident Year 1-2 (37 SCH)	16,946.00	5,180.00	0.00	1,844.90	23,970.90	1,030.08
Grad - Resident Year 1 - 3 (37 SCH)	1,850.00	5,180.00	1,850.00	1,844.90	10,724.90	799.20
Grad - Non-Resident Year 1 - 3 (37 SCH)	16,946.00	5,180.00	1,850.00	1,844.90	25,820.90	1,030.08
<b>Nursing</b>						
<b>Undergrad</b>						
Resident - Year 1 (34 SCH)	1,700.00	4,760.00	0.00	2,131.40	8,591.40	894.20
Resident - Year 2 (33 SCH)	1,650.00	4,620.00	0.00	2,121.40	8,391.40	867.90
Non-Resident - Year 1 (34 SCH)	15,572.00	4,760.00	0.00	2,131.40	22,463.40	946.56
Non-Resident - Year 2 (33 SCH)	15,114.00	4,620.00	0.00	2,121.40	21,855.40	918.72
<b>Graduate</b>						
Resident - Year 1 (24 SCH)	1,200.00	3,360.00	1,200.00	1,601.40	7,361.40	518.40
Resident - Year 2 (18 SCH)	900.00	2,520.00	900.00	1,175.40	5,495.40	388.80
Non-Resident - Year 1 (24 SCH)	10,992.00	3,360.00	1,200.00	1,601.40	17,153.40	668.16
Non-Resident - Year 2 (18 SCH)	8,244.00	2,520.00	900.00	1,175.40	12,839.40	501.12
<b>Pharmacy - Resident</b>						
Year 1 (41 SCH)	2,050.00	8,159.00	4,100.00	2,390.40	16,699.40	1,248.45
Year 2 - 3 (38 SCH)	1,900.00	7,562.00	3,800.00	2,360.40	15,622.40	1,157.10
Year 4 (52 SCH)	2,600.00	10,348.00	5,200.00	3,140.40	21,288.40	1,583.40
<b>Pharmacy - Non-Resident</b>						
Year 1 (41 SCH)	18,778.00	8,159.00	4,100.00	2,390.40	33,427.40	1,504.29
Year 2 – 3 (38 SCH)	17,404.00	7,562.00	3,800.00	2,360.40	31,126.40	1,394.22
Year 4 (52 SCH)	23,816.00	10,348.00	5,200.00	3,140.40	42,504.40	1,907.88

NOTE: A fixed international student fee of \$50 is charged to all non-immigrant visa students for each term in which they enroll in the University System. Total tuition and fees includes amounts required to be set aside for financial assistance in accordance with applicable provisions of the Texas Education Code. The set-aside amounts are calculated as follows: from State Mandated Tuition no less than 15% nor more than 20% of each resident student's tuition charge and 3% of each non-resident student's tuition charge is set aside for Texas Public Education Grants (Section 56.033); \$2 for each semester hour for which a doctoral student is enrolled is set aside for the Doctoral Loan Incentive Program (Section 56.095); from Board Designated Tuition no less than 20% charged to resident undergraduate students in excess of \$46 per semester hour (Section 56.011) and no less than 15% charged to resident graduate students in excess of \$46 per semester hour is set aside for financial assistance (Section 56.012). Of the set-aside from Board Designated Tuition for resident undergraduate students, 5% charged to resident undergraduate students in excess of \$46 per semester hour is deposited in the State Treasury into the Texas B-On-Time Loan Program (Section 56.465). In addition, 15% of Board Designated Tuition charged to non-resident students in excess of \$46 per semester hour is set aside to provide financial assistance for non-resident students.

Set forth below is a table showing the State Mandated Tuition, Board Designated Tuition, Board Authorized Tuition, mandatory fees, and the amount set aside for financial assistance for full-time resident and non-resident students at the Health Sciences Center at El Paso.

**Health Sciences Center at El Paso  
Tuition and Fees  
Academic Year 2016-2017**

	<b>State Mandated Tuition</b>	<b>Board Designated Tuition</b>	<b>Board Authoriz ed Tuition</b>	<b>Mandatory Fees</b>	<b>Total Tuition &amp; Fees</b>	<b>Financial Assistance Set Aside</b>
<b>M.D. Resident Year 1 – 3</b>	\$6,550.00	\$8,466.00	\$0.00	\$2,491.80	\$17,507.80	\$1,891.88
<b>M.D. Resident Year 4</b>	6,550.00	8,466.00	0.00	1,741.80	16,575.80	1,891.88
<b>M.D. Non-Resident Year 1 – 3</b>	19,650.00	8,466.00	0.00	2,491.80	30,607.80	1,498.88
<b>M.D. Non-Resident Year 4</b>	19,650.00	8,466.00	0.00	1,741.80	29,857.80	1,498.88
<b>Nursing</b>						
<b>Undergrad -Resident</b>						
<b>Year 1 (33 SCH)</b>	1,650.00	4,620.00	0.00	907.00	7,177.00	712.80
<b>Year 2 (32 SCH)</b>	1,650.00	4,480.00	0.00	897.00	6,977.00	691.20
<b>Undergrad - Non-Resident</b>						
<b>Year 1 (33 SCH)</b>	15,114.00	4,620.00	0.00	907.00	20,641.00	918.72
<b>Year 2 (32 SCH)</b>	14,656.00	4,480.00	0.00	897.00	20,033.00	890.88
<b>Graduate School of Biomedical Sciences</b>						
<b>Resident Year 1-2 (18 SCH)</b>	900.00	1,656.00	0.00	794.00	3,350.00	259.20
<b>Non-Resident Year 1-2(18 SCH)</b>	8,244.00	1,656.00	0.00	794.00	10,694.00	371.52

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NOTE: A fixed international student fee of \$50 is charged to all non-immigrant visa students for each term in which they enroll in the University System. Total tuition and fees includes amounts required to be set aside for financial assistance in accordance with applicable provisions of the Texas Education Code. The set-aside amounts are calculated as follows: from State Mandated Tuition not less than 15% nor more than 20% of each resident student's tuition charge and 3% of each non-resident student's tuition charge is set aside for Texas Public Education Grants (Section 56.033); \$2 for each semester hour for which a doctoral student is enrolled is set aside for the Doctoral Loan Incentive Program (Section 56.095); from Board Designated Tuition no less than 20% charged to resident undergraduate students in excess of \$46 per semester hour (Section 56.011) and no less than 15% charged to resident graduate students in excess of \$46 per semester hour is set aside for financial assistance (Section 56.012). Of the set-aside from Board Designated Tuition for resident undergraduate students, 5% charged to resident undergraduate students in excess of \$46 per semester hour is deposited in the State Treasury into the Texas B-On-Time Loan Program (Section 56.465). In addition, 15% of Board Designated Tuition charged to non-resident students in excess of \$46 per semester hour is set aside to provide financial assistance for non-resident students.

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Investment Programs and Policies. The Board is responsible for investment of University System funds held outside the State Treasury. To facilitate the investment of the University System funds, the Board has created two separate investment pools designated as the Short/Intermediate Term Investment Fund (the “SITIF”) and the Long-Term Investment Fund (the “LTIF”), which are governed overall by Regents’ Rules Chapter 09 “Investments and Endowments”, and individually by the Investment Policy Statement of each pool, codified as Board Policy Statements. The SITIF is centrally managed within the University System Office of Treasury and Cash Management under the direction of the Treasurer. The LTIF is centrally managed within the University System Office of Investments under the direction of the Chief Investment Officer.

Set forth below is the market value for each of the funds managed by the Board as of the end of the most recent five Fiscal Years.

**Market Value of Investment Funds  
(In Thousands)**

<b>August 31</b>	<b>Short Intermediate Term Fund<sup>(1)</sup></b>	<b>Long Term Fund</b>	<b>Angelo State &amp; Carr Foundation – Other<sup>(2)</sup></b>	<b>Total Market Value</b>
2012	\$825,254	\$804,688	\$34,248	\$1,664,190
2013	824,934	881,750	33,474	1,740,157
2014	864,880	1,039,391	34,085	1,938,356
2015	1,067,550	1,045,577	42,555	2,155,682
2016	1,186,906	1,028,641	42,128	2,257,675

Notes: (1) SITIF balance excludes demand depository accounts which are referenced in the SITIF allocation and MV chart below. (2) The “ASU & Carr Foundation” column includes assets held outside of the SITIF and LTIF for ASU and the Carr Foundation.

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The Short/Intermediate Term Investment Fund. The SITIF is a short/intermediate term pooled investment fund created by the Board for the collective investment of institutional funds of the University System. Except for endowment funds (and certain eligible institutional funds treated as endowments), all institutional funds of the University System are invested in the SITIF.

Set forth below is the asset allocation of the SITIF as of August 31, 2016. Currently, Angelo State University does not fully participate in the SITIF.

**Asset Allocation for the Short/Intermediate Term Fund  
(in Thousands)**

Description	Allocation Percentage	Market Value
<u>Cash Composite</u>		
Depository Accounts	8.20%	\$97,283
Money Market Funds	0.85%	10,131
Local Gov't Investment Pool	12.37%	146,878
Total Composite	21.42%	\$254,292
<u>Short Term Composite</u>		
Money Market Fund	0.01%	\$138
U.S. Agency Notes	22.11%	262,436
Treasury Notes	11.86%	140,821
Total Composite	33.99%	\$403,395
<u>Intermediate Composite</u>		
Local Gov't Investment Pool	4.22%	\$50,119
External Investment Managers	40.37%	479,100
Total Composite	44.59%	\$529,219
Total Fund	100.00%	\$1,186,906

The Long-Term Investment Fund. The University System is benefited by certain eligible endowments and board approved institutional funds treated as endowments (“quasi-endowments”) collectively invested in the LTIF. The LTIF is a unitized pooled investment fund consisting of marketable securities and investments, land and other real estate holdings and mineral rights managed by unaffiliated investment managers selected by the Board upon the recommendation of the Investment Advisory Committee. To qualify for investment in the LTIF, endowment funds must be under the sole control of the Board and must not have donor imposed restrictions that prevent investment in equity securities or corporate debt, or prevent the expenditure of net realized appreciation. Endowment funds not meeting these requirements are invested in the SITIF or, if instructed by the donor, managed and safeguarded in their original form. The LTIF in its entirety is not classified as pledged revenues or fund balance to the payment of debt obligations. However, quasi-endowments and earning distributions are pledgeable.

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Set forth below is the asset allocation of the Long Term Investment Fund (LTIF) managed by the Board and Assets held outside of the SITIF and LTIF for the ASU and Carr Foundation Investments as of August 31, 2016.

**Asset Allocation for the Long Term Investment Fund  
(in Thousands)**

Description	Allocation Percentage	Market Value
Equities	11.60%	\$119,294
Fixed Income	5.77%	59,356
Alternative Investments	82.63%	849,991
Cash and Cash Equivalents	0.00%	0.00
<b>Total</b>	<b>100.00%</b>	<b>\$1,028,641</b>

**Allocation of Assets held outside of SITIF, LTIF for ASU & Carr  
Foundation  
(in Thousands)**

Description	Allocation Percentage	Market Value
Mineral Rights	16.23%	\$6,838
Corporate Bonds	0.00%	\$0.00
Cash and Cash Equivalents	83.77%	35,290
<b>Total</b>	<b>100.00%</b>	<b>\$42,128</b>

Note: Angelo State University was added to Texas Tech University System on September 1, 2007. Its assets and those of its related Carr Foundation outside of the Long Term Investment Fund are included here as managed investments.

Set forth below is the market value for the University System endowment including funds managed by the Board and funds managed by third-parties as of the end of the most recent five Fiscal Years (as reported to the National Association of College and University Business Officers' ("NACUBO") Commonfund Study of Endowments Report).

**Board Managed and Third-Party Managed -  
Market Value of Endowments  
(in Thousands)**

<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
\$883,608	\$973,083	\$1,179,507	\$1,155,651	\$1,150,267

[End]