CONTINUING DISCLOSURE ANNUAL REPORT

Filed by

BOARD OF REGENTS OF THE TEXAS TECH UNIVERSITY SYSTEM

FISCAL YEAR 2013

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

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John D. Esparza ..... Term Expires January 31, 2019 ..... Austin, TX

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Joshua Heimbecker ..... Term Expires May 31, 2014 ..... San Angelo, TX

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Brian J. May..... ASU President

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 $1.57 billion. Approximately $445 million of these funds are appropriated by the Texas Legislature and about $170 million in research expenditures annually. The total enrollment across all components is more than 44,000 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 33,000 students enroll annually, coming from 49 states and more than 117 foreign countries. These students choose from among 152 undergraduate, 107 masters, and 64 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 Junction, Fredericksburg, Marble Falls, 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 4,500 students in its five schools of Medicine, Nursing, School of Allied Health Sciences, Pharmacy and 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. Once a regional campus, TTUHSC at El Paso is now a separate component institution of the University System. See below.

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 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 7,000 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 18th 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.

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 five fiscal years.

Texas Tech University System Pledged Revenues

	2009	2010	2011	Restated 2012	2013
Available Pledged Revenues Not Including Fund Balances	$ 523,830,973	$ 576,009,311	$ 606,785,300	$ 690,725,360	$ 681,302,392
Pledgeable Unappropriated Funds and Reserve Balances	234,036,451	221,182,551	255,912,878	315,040,391	386,871,974
Total Pledged Revenues	$ 757,867,424	$ 797,191,862	$ 862,698,178	$1,005,765,751	$1,068,174,366

1. Excludes State appropriations for the reimbursement of debt service on certain Tuition Revenue Bonds of the University System.
2. In addition to current year Pledged Revenues, any unappropriated or reserve fund balances remaining at year-end are available for payment of the subsequent year's debt service. In addition, historically, the Board has set aside certain reserve fund balances for specified University System purposes ("quasi-endowment balances"). Although such quasi-endowment balances may be available for debt service on Parity Obligations if the need arises, the University System has not included such balances in the calculation of Pledged Revenues. As of August 31, 2013, the quasi-endowment balances have a fair market value of $135.9 million.

Outstanding Obligations

As of August 31, 2013, the University System had the following Parity Obligations:

Revenue Financing System

Revenue Financing System Bonds, 9th Series 2003	$ 4,745,000
Revenue Financing System Bonds, 10th Series 2006	189,380,000
Revenue Financing System Bonds, 12th Series 2009	121,395,000
Revenue Financing System Bonds, 14th Series 2012A	152,005,000
Revenue Financing System Taxable Bonds, 15th Series 2012B	26,365,000
Revenue Financing System Commercial Paper Notes	45,614,000
Revenue Financing System Taxable Commercial Paper Notes	10,000,000
TOTAL	$ 549,504,000

Set forth below is a summary of the debt service requirements of all Parity Obligations outstanding as of August 31, 2013:

Texas Tech University System RFS Bonds
Debt Service for All Series
as of August 31, 2013 through Maturity

Period Ending	Principal	Interest	Annual Debt Service	Obligations Balance
8/31/2013				493,890,000
8/31/2014	29,255,000	22,501,841	51,756,841	464,635,000
8/31/2015	29,625,000	21,350,326	50,975,326	435,010,000
8/31/2016	29,065,000	20,093,280	49,158,280	405,945,000
8/31/2017	30,055,000	18,829,644	48,884,644	375,890,000
8/31/2018	30,865,000	17,414,082	48,279,082	345,025,000
8/31/2019	31,585,000	16,014,510	47,599,510	313,440,000
8/31/2020	33,030,000	14,550,976	47,580,976	280,410,000
8/31/2021	34,300,000	13,004,246	47,304,246	246,110,000
8/31/2022	27,070,000	11,581,446	38,651,446	219,040,000
8/31/2023	23,290,000	10,298,778	33,588,778	195,750,000
8/31/2024	23,765,000	9,135,457	32,900,457	171,985,000
8/31/2025	24,930,000	7,944,463	32,874,463	147,055,000
8/31/2026	26,170,000	6,692,447	32,862,447	120,885,000
8/31/2027	19,890,000	5,556,824	25,446,824	100,995,000
8/31/2028	19,130,000	4,604,845	23,734,845	81,865,000
8/31/2029	13,240,000	3,812,087	17,052,087	68,625,000
8/31/2030	10,410,000	3,243,621	13,653,621	58,215,000
8/31/2031	10,905,000	2,740,165	13,645,165	47,310,000
8/31/2032	6,000,000	2,272,750	8,272,750	41,310,000
8/31/2033	6,300,000	1,968,584	8,268,584	35,010,000
8/31/2034	6,620,000	1,648,081	8,268,081	28,390,000
8/31/2035	6,960,000	1,310,175	8,270,175	21,430,000
8/31/2036	7,315,000	954,900	8,269,900	14,115,000
8/31/2037	3,875,000	581,494	4,456,494	10,240,000
8/31/2038	4,075,000	379,694	4,454,694	6,165,000
8/31/2039	1,975,000	246,600	2,221,600	4,190,000
8/31/2040	2,055,000	167,600	2,222,600	2,135,000
8/31/2041	2,135,000	85,400	2,220,400	
	$ 493,890,000	$ 218,984,316	$ 712,874,316	

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.

Texas Tech University System
Tuition Revenue Bonds for All Series
Debt Service Schedule
As of August 31, 2013 through Maturity

Period Ending	Principal	Interest	Debt Service	Obligations Balance
8/31/2013				179,810,452
8/31/2014	14,484,059	8,141,754	22,625,813	165,326,393
8/31/2015	14,130,984	7,603,658	21,734,642	151,195,409
8/31/2016	13,015,431	7,034,354	20,049,785	138,179,979
8/31/2017	13,580,246	6,482,119	20,062,365	124,599,732
8/31/2018	14,250,586	5,812,043	20,062,629	110,349,147
8/31/2019	14,470,117	5,138,452	19,608,569	95,879,030
8/31/2020	15,174,719	4,440,504	19,615,223	80,704,311
8/31/2021	15,889,242	3,704,235	19,593,477	64,815,069
8/31/2022	12,777,359	3,006,188	15,783,547	52,037,710
8/31/2023	8,322,537	2,393,822	10,716,359	43,715,174
8/31/2024	8,722,609	1,967,693	10,690,303	34,992,564
8/31/2025	9,162,429	1,520,568	10,682,996	25,830,135
8/31/2026	9,637,241	1,050,576	10,687,817	16,192,894
8/31/2027	6,877,141	637,716	7,514,857	9,315,753
8/31/2028	7,235,469	284,901	7,520,370	2,080,284
8/31/2029	2,080,284	52,007	2,132,292	
	$ 179,810,452	$ 59,270,591	$ 239,081,044	

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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 umbrella. The University System is in agreement with Texas State System 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 debt schedule for Angelo State's portion of Texas State University System Revenue Financing System.

Date	Principal	Interest	Annual Debt Service	Obligations Balance
8/31/2013				30,385,875
8/31/2014	3,059,602	1,519,294	4,578,896	27,326,273
8/31/2015	2,746,440	1,366,314	4,112,754	24,579,833
8/31/2016	2,626,343	1,228,992	3,855,334	21,953,491
8/31/2017	2,756,131	1,097,675	3,853,806	19,197,359
8/31/2018	2,897,359	959,868	3,857,227	16,300,000
8/31/2019	1,510,000	815,000	2,325,000	14,790,000
8/31/2020	1,585,000	739,500	2,324,500	13,205,000
8/31/2021	1,650,000	660,250	2,310,250	11,555,000
8/31/2022	1,725,000	577,750	2,302,750	9,830,000
8/31/2023	695,000	491,500	1,186,500	9,135,000
8/31/2024	730,000	456,750	1,186,750	8,405,000
8/31/2025	770,000	420,250	1,190,250	7,635,000
8/31/2026	800,000	381,750	1,181,750	6,835,000
8/31/2027	840,000	341,750	1,181,750	5,995,000
8/31/2028	885,000	299,750	1,184,750	5,110,000
8/31/2029	925,000	255,500	1,180,500	4,185,000
8/31/2030	975,000	209,250	1,184,250	3,210,000
8/31/2031	1,015,000	160,500	1,175,500	2,195,000
8/31/2032	1,070,000	109,750	1,179,750	1,125,000
8/31/2033	1,125,000	56,250	1,181,250	
	30,385,875	12,147,642	42,533,517	

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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

Undergraduate	Fall 2009	Fall 2010	Fall 2011	Fall 2012	Fall 2013
Texas Tech University	24,236	25,462	26,063	26,481	27,044
The Health Sciences Center	682	983	1,154	1,305	1,346
Angelo State University	5,859	6,155	6,267	6,008	5,546
Undergraduate Total	30,777	32,600	33,484	33,794	33,936
Graduate & Professional					
Texas Tech University	5,813	6,175	6,264	5,986	6,067
The Health Sciences Center	2,568	2,744	2,940	3,065	3,173
Angelo State University	528	701	817	880	990
Graduate Total	8,909	9,620	10,021	9,931	10,230
Total	39,686	42,220	43,505	43,725	44,166

Full-Time Equivalent Enrollment Information

Undergraduate	Fall 2009	Fall 2010	Fall 2011	Fall 2012	Fall 2013
Texas Tech University	22,009	22,984	23,453	23,619	25,240
The Health Sciences Center	652	901	1,106	1,251	1,285
Angelo State University	4,829	4,896	4,921	4,968	5,204
Undergraduate Total	27,490	28,781	29,480	29,838	31,729
Graduate & Professional					
Texas Tech University	3,900	4,189	4,903	4,766	4,655
The Health Sciences Center	2,316	2,435	2,589	2,721	2,832
Angelo State University	321	397	482	428	766
Graduate Total	6,537	7,021	7,974	7,915	8,253
Total	34,027	35,802	37,454	37,753	39,982

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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 (other than Texas Tech University Health Sciences Center) for each of the last five fall semesters:

Admissions and Matriculation Information

	2009	%	2010	%	2011	%	2012	%	2013	%
Freshman:										
Applications Submitted	19,466	100.0	19,486	100.0	20,656	100.0	20,639	100.0	21,922	100.0
Applications Accepted	14,051	72.2	14,700	75.4	14,498	70.2	14,445	70.0	14,925	68.1
Matriculation	6,060	43.1	6,335	43.1	5,921	40.8	5,966	41.3	6,005	40.2
Matriculation from outside state	458	7.6	505	8.0	576	9.7	663	11.1	325	5.4
Transfers:										
Applications Submitted	5,314	100.0	5,399	100.0	5,493	100.0	5,264	100.0	5,625	100.0
Applications Accepted	4,312	81.1	4,387	81.3	4,420	80.5	4,347	82.6	4,523	80.4
Matriculation	2,909	67.5	2,914	66.4	2,936	66.4	2,963	68.2	3,119	69.0
Matriculation from outside state	219	7.5	239	8.2	254	8.7	291	9.8	274	8.8
Graduates:										
Applications Submitted	7,259	100.0	6,807	100.0	6,112	100.0	6,083	100.0	5,303	100.0
Applications Accepted	3,938	54.2	3,240	47.6	2,728	44.6	2,803	46.1	2,804	52.9
Matriculation	1,752	44.5	1,823	56.3	1,679	61.5	1,742	62.1	1,758	62.7
Matriculation from outside state	411	23.5	423	23.2	317	18.9	453	26.0	583	33.2

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 Comprehensive 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, 2009 through 2013.

Condensed Statement of Net Position
as of August 31
(in thousands)

Assets:	**2009**	**2010**	**2011**	**Restated 2012**	**2013**
Current Assets	$768,321	$723,306	$727,951	$771,009	$772,567
Capital Assets, Net	1,130,108	1,236,086	1,357,096	1,413,353	1,402,227
Other Assets	1,007,533	1,161,920	1,247,514	1,216,368	1,377,298
Total Assets	$2,905,962	$3,121,312	$3,332,561	$3,400,730	$3,552,092
Liabilities:					
Current Liabilities	$341,403	$406,583	$432,643	$375,911	$409,312
Non Current Liabilities	524,777	504,587	479,301	570,256	537,257
Total Liabilities	$866,180	$911,170	$911,944	$946,167	$946,569
Net Position:					
Invested in Capital Assets, Net of Related Debt	$643,065	$745,619	$842,500	$862,710	$853,461
Restricted					
Expendable	279,615	281,744	329,459	369,077	410,257
Non-Expendable: Endowments	565,408	611,227	607,566	540,938	581,048
Unrestricted	551,694	571,552	641,092	681,838	760,757
Total Net Position	$2,039,782	$2,210,142	$2,420,617	$2,454,563	$2,605,523
Liabilities and Net Position	$2,905,262	$3,121,312	$3,332,561	$3,400,730	$3,552,092

Set forth below reflects the condensed statement of revenues, expenses, and changes in net position of the University System as of August 31, 2010 through 2013.

Texas Tech University System

Statement of Revenues, Expenses, and Changes in Net Position (Unaudited)

For the Year Ended August 31

In Thousands (000s)

	2010	2011	Restated 2012	2013
Operating Revenues				
Tuition and Fees	$ 7,245	$ 7,294	$ 7,684	$ 7,534
Tuition and Fees: Pledged	320,787	376,249	416,376	428,336
Less Discounts and Allowances	(52,522)	(72,865)	(87,314)	(85,340)
Professional Fees	220,756	238,310	221,496	229,673
Professional Fees - Pledged			1,384	1,084
Sales and Services of Auxiliary Enterprises - Pledged	103,094	112,352	127,435	134,543
Other Sales and Services	2,056	3,225	3,413	5,548
Other Sales and Services: Pledged	14,077	10,528	10,385	12,126
Federal Grants and Contracts	57,134	60,287	55,227	55,731
Federal Grants and Contracts: Pledged	3,732	4,387	4,621	4,938
Federal Pass-Through (net of administrative costs)	9,071	8,080	5,409	5,171
State Grants and Contracts	4,692	9,238	6,971	2,406
State Grants and Contracts: Pledged	377	265	558	441
State Pass-Through	36,036	39,430	29,868	36,297
Local Government Grants and Contracts	66,146	50,640	51,599	45,150
Local Government Grants and Contracts: Pledged	1,271	1,178	1,168	1,233
Nongovernmental Grants and Contracts	70,679	90,996	102,736	121,527
Nongovernmental Grants and Contracts: Pledged	2,491	2,223	2,173	2,615
Other Revenue				17,634
Total Operating Revenues	**$ 867,122**	**$ 941,817**	**$ 961,189**	**$ 1,026,647**
Operating Expenses				
Instruction	$ 413,677	$ 410,223	$ 402,418	$ 422,944
Research	144,788	156,779	156,155	169,691
Public Service	137,221	136,695	123,659	126,735
Hospital and Clinic	50,558	54,886	58,968	62,819
Academic Support	162,148	176,281	173,013	193,241
Student Services	45,644	44,330	46,262	49,278
Institutional Support	101,418	86,309	91,260	98,167
Operations and Maintenance of Plant	73,741	71,927	72,258	78,828
Scholarships and Fellowships	39,097	46,396	63,534	57,033
Auxiliary Enterprises	113,192	111,690	109,665	118,419
Depreciation and Amortization	78,849	100,322	113,593	121,510
Total Operating Expenses	**$1,360,333**	**$1,395,838**	**$1,410,785**	**$1,498,665**
Operating Income (Loss)	**$ (493,210)**	**$ (454,021)**	**$ (449,596)**	**$ (472,018)**

Statement of Revenues, Expenses, and Changes in Net Position (Unaudited)

Continued

	2010	2011	Restated 2012	2013
Non-operating Revenues (Expenses)				
Legislative Revenue	$ 379,596	$ 384,305	$ 373,528	$ 355,250
Federal Grants and Contracts	42,827	47,661	45,246	41,132
Federal Grants Pass Throughs	18,485	8,341	-	-
State Grants Pass-Throughs from Other State Agencies	-	-	2	45
Private Gifts Pledged	6,108	47,442	4,011	13,908
Private Gifts	49,829	4,641	60,698	43,919
Investment Income	47,794	40,699	9,749	45,211
Investment Income: Pledged	7,869	8,606	10,191	15,321
Interest Expense on Capital Asset Financing	(23,282)	(21,468)	(24,016)	(24,707)
Loss on Sale and Disposal of Capital Assets	(6,717)	(2,171)	(1,118)	(2,067)
Net Increase (Decrease) in Fair Value of Investments	31,595	36,885	20,344	29,496
Other Non-operating Revenues (Expenses)	4,805	19,202	9,663	7,152
Other Non-operating Revenues (Expenses): Pledged	5,267	2,632	1,323	3,168
Total Non-operating Revenues (Expenses)	**$564,175**	**$576,774**	**$509,620**	**$527,828**
Income (Loss) before Other Revenues, Expenses, Gains, Losses and Transfers	**$70,965**	**$122,752**	**$60,024**	**$55,810**
Other Revenues, Expenses, Gains, Losses and Transfers				
Capital Appropriations (HEAF)	45,969	44,653	44,653	44,653
Capital Contributions	61,119	55,449	11,676	3,182
Lapsed Appropriations	-	(1)	(1)	(1)
Additions to Permanent Endowments	3,329	428	21,137	48,889
Increase Net Assets- Interagency Transfer Capital Assets	29	(2,881)	-	9
Decrease Net Assets- Interagency Transfer Capital Assets	(2)	-	-	(268)
Legislative Transfer Out	(2,947)	(9,921)	(2,920)	(2,707)
Transfers in from Other State Agencies	-	-	7,878	8,454
Transfer Out to Other State Agencies	(8,098)	-	(10,375)	(7,061)
Net Other Revenues, Expenses, Gains, Losses and Transfers	**$99,394**	**$87,728**	**$72,048**	**$95,149**
Total Changes in Net Position	**$170,360**	**$210,481**	**$132,072**	**$150,959**
Beginning Net Position (September 1)	**$2,039,782**	**$2,210,142**	**$2,420,617**	**$2,558,273**
Restatements of Beginning Net Position	-	(6)	(98,125)	(103,710)
Ending Net Position (August 31)	**$2,210,142**	**$2,420,617**	**$2,454,563**	**$2,605,522**

Set forth below reflects the condensed statement of cash flows of the University System as of August 31, 2009 through 2013.

Texas Tech University System
Condensed Statement of Cash Flows
(in thousands)

	2009	2010	2011	Restated 2012	2013
Cash Flows From					
Operating Activities	$ (405,679)	$ (386,780)	$ (327,728)	$ (349,355)	$ (362,531)
Non-capital Financing Activities	462,771	501,076	412,323	524,149	498,717
Capital and Related Financing Activities	(22,933)	(111,510)	(136,927)	(102,828)	(88,409)
Investing Activities	12,857	(82,237)	(13,823)	(16,326)	(57,584)
TOTAL NET CASH FLOWS	47,016	(79,451)	(66,155)	55,640	(9,807)
Cash & Cash Equivalents, Beginning of Year	563,283	610,299	530,848	464,693	520,070
Restatement to Beginning Cash & Cash Equivalents				(831)	(567)
Cash & Cash Equivalents, Beginning of Year Restated	563,283	610,299	530,848	463,862	519,503
Ending Cash & Cash Equivalents - August 31	$ 610,299	$ 530,848	$ 464,693	$ 519,502	$ 509,696

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 2012-13 and the current 2014-15 biennium of the State Budget.

2012-2015 State Tuition Revenue Bond (TRB) Appropriations
(In Thousands)

	2012	2013	2014	2015
Texas Tech University	$ 9,230	$ 9,243	$ 9,053	$ 9,052
TTU Health Sciences Center	12,916	12,914	12,512	12,370
Angelo State University	4,004	3,962	3,959	2,713
TTUHSC at El Paso	-	-	-	-
System Administration	-	-	-	-
Total TRBs	$ 26,150	$ 26,119	$ 25,524	$ 24,135

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.

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.

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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 to resident and non-resident students by each institution, excluding the Health Sciences Center, for the 2013-14 academic year based on 15 semester credit hours per semester for undergraduate students, 12 semester credit hours per semester for graduate students.

Texas Tech University
Tuition and Fees
Academic Year 2013-2014

	State Mandated Tuition	Board Designated Tuition	Board Authorized Tuition	Mandatory Fees	Total Tuition & Fees	Financial Assistance Set Aside
Resident Undergrad (15 hrs)	$750.00	$2,288.55	$0.00	$1,432.50	$4,471.05	$319.71
Non-Resident Undergrad (15 hrs)	6,060.00	2,288.55	0.00	1,432.50	9,781.05	319.71
Resident Graduate (12 hrs)	600.00	1,830.84	600.00	1,327.50	4,358.34	239.78
Non-Resident Graduate (12 hrs)	4,848.00	1,830.84	600.00	1,327.50	8,606.34	239.78
Resident Law (15 hrs)						
Year 1 and Year 2	1,200.00	5,363.55	2,400.00	2,145.00	11,015.80	701.03
Year 3	1,200.00	3,863.55	2,400.00	2,145.00	9,608.55	476.80
Non-Resident Law (15 hrs)						
Year 1 and Year 2	6,060.00	5,363.55	2,400.00	2,145.00	15,968.55	701.03
Year 3	6,060.00	3,863.55	2,400.00	2,145.00	14,468.55	476.03

Angelo State University
Tuition and Fees
Academic Year 2013-2014

	State Mandated Tuition	Board Designated Tuition	Board Authorized Tuition	Mandatory Fees	Total Tuition & Fees	Financial Assistance Set Aside
Resident Undergrad (15 hrs)	$750.00	$1,747.20	$0.00	$1,411.50	$3,908.70	$211.44
Non-Resident Undergrad (15 hrs)	6,060.00	1,747.20	0.00	1,411.50	9,218.70	0.00
Resident Masters (12 hrs)	600.00	1,397.76	540.00	1,128.50	3,666.26	126.86
Non-Resident Masters (12 hrs)	4,812.00	1,397.76	540.00	1,128.50	7,878.26	0.00

NOTE: A fixed international student fee of $75 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.

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 2013-2014

	State Mandated Tuition	Board Designated Tuition	Board Authorized Tuition	Mandatory Fees	Total Tuition and Fees	Financial Assistance Set-Aside
M.D. Resident						
Year 1 - 2	$6,550.00	$7,500.00	$ -	$2,131.90	$16,181.90	$1,877.98
Year 3	$6,550.00	$7,500.00	-	$2,071.90	$16,121.90	$1,877.98
Year 4	$6,550.00	$7,500.00	-	$1,821.90	$15,871.90	$1,877.98
M.D. Non-Resident						
Year 1 - 2	$19,650.00	$7,500.00	-	$2,131.90	$29,281.90	$1,746.98
Year 3	$19,650.00	$7,500.00	-	$2,071.90	$29,221.90	$1,746.98
Year 4	$19,650.00	$7,500.00	-	$1,821.90	$28,971.90	$1,746.98
Graduate Students						
Resident (24 SCH)	$1,200.00	$1,920.00	-	$1,477.40	$4,597.40	$302.40
Non-Resident (24 SCH)	$9,696.00	$1,920.00	-	$1,477.40	$13,093.40	$413.28
Allied Health Sciences						
Undergraduate Level - Resident						
Year 1 - 2 (37 SCH)	$1,850.00	$4,625.00	-	$1,776.90	$8,251.90	$862.10
Undergraduate Level - Non-Resident						
Year 1 - 2 (37 SCH)	$14,948.00	$4,625.00	-	$1,776.90	$21,349.90	$886.89
Graduate Level - Resident						
Year 1 - 3 (37 SCH)	$1,850.00	$4,625.00	$1,850.00	$1,776.90	$10,101.90	$715.95
Graduate Level - Non-Resident						
Year 1 - 3 (37 SCH)	$14,948.00	$4,625.00	$1,850.00	$1,776.90	$23,199.90	$886.89
Nursing						
Undergraduate Level - Resident						
Year 1 (34 SCH)	$1,700.00	$4,250.00	-	$2,033.40	$7,983.40	$792.20
Year 2 (33 SCH)	$1,650.00	$4,125.00	-	$2,003.40	$7,778.40	$768.90

Cont'd	State Mandated Tuition	Board Designated Tuition	Board Authorized Tuition	Mandatory Fees	Total Tuition and Fees	Financial Assistance Set-Aside
Undergraduate Level - Non-Resident						
Year 1 (34 SCH)		$13,736.00	$4,250.00	-	$2,033.40	$20,019.40
Year 2 (33 SCH)	$13,332.00	$4,125.00	-	$2,003.40	$19,460.40	$791.01
Graduate Level - Resident						
Year 1 (24 SCH)		$1,200.00	$3,000.00	$1,200.00	$1,583.40	$6,983.40
Year 2 (18 SCH)	$900.00	$2,250.00	$900.00	$1,163.40	$5,213.40	$348.30
Graduate Level - Non-Resident						
Year 1 (24 SCH)		$9,696.00	$3,000.00	$1,200.00	$1,583.40	$15,479.40
Year 2 (18 SCH)	$7,272.00	$2,550.00	$900.00	$1,163.40	$11,585.40	$431.46
Pharmacy - Resident						
Year 1 (41 SCH)	$2,050.00	$7,175.00	$4,100.00	$2,378.40	$15,703.40	$1,100.85
Year 2 (38 SCH)	$1,900.00	$6,650.00	$3,800.00	$2,348.40	$14,698.40	$1,020.30
Year 3 (38 SCH)	$1,900.00	$6,650.00	$3,800.00	$2,348.40	$14,698.40	$1,020.30
Year 4 (52 SCH)	$2,600.00	$9,100.00	$5,200.00	$2,912.40	$19,812.40	$1,396.20
Pharmacy - Non-Resident						
Year 1 (41 SCH)		$16,564.00	$7,175.00	$4,100.00	$2,378.40	$30,217.40
Year 2 (38 SCH)	$15,352.00	$6,650.00	$3,800.00	$2,348.40	$28,150.40	$1,195.86
Year 3 (38 SCH)	$15,352.00	$6,650.00	$3,800.00	$2,348.40	$28,150.40	$1,195.86
Year 4 (52 SCH)	$21,008.00	$9,100.00	$5,200.00	$2,912.40	$38,220.40	$1,636.44

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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Federal Sponsored Research Expenditures

Set forth below is University System's Federal sponsored research expenditures of the most recent five Fiscal Years.

Texas Tech University System
2009-2013 Federally Sponsored Research Expenditures
(In Thousands)

Federal Sources	2009	2010	2011	2012	2013
USDA	$4,606	$5,964	$3,653	$2,826	$3,079
Dept. of Commerce	-	-	90	246	427
Dept. of Health and Human Services	9,814	23,954	13,781	13,310	12,652
Dept. of Defense	8,634	11,341	6,783	3,682	6,541
Dept. of Education	2,372	-	639	1,247	3,308
Dept. of Energy	-	3,940	3,426	2,353	2,427
Dept. of the Interior	-	-	783	956	971
Dept. of Transportation - Research, Innovative Technology Admin Agency	11	-	-	-	-
Environmental Protection Agency	-	-	394	169	289
National Foundation for Arts/Humanities	-	-	288	-	-
National Institutes of Health	-	-	-	-	-
NASA	690	757	683	811	725
National Science Foundation	4,877	8,109	8,849	8,868	8,268
Small Business Admin	68	55	93	59	206
Office of Naval Research	2,926	2,893	2,977	2,569	3,567
Other Federal Agencies/Pass Thru	1,772	5,220	7,763	6,965	1,474
US Army Research Laboratory	-	-	42	1	-
Total Federal Sources	$35,770	$62,233	$50,244	$44,062	$43,934

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Investment Programs and Policies. 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, Endowments, and Income Producing Lands", and individually by the Investment Policy Statement of each pool, codified as Board Policy Statements. Additionally, the University System also has certain funds that are held in the State Treasury and invested by the Comptroller.

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)

August 31	SITIF	LTIF	ASU & Carr Foundation	Total Market Value
2009	$653,435	$651,165	$34,996	$1,339,596
2010	653,357	727,335	34,462	1,415,154
2011	680,122	779,611	31,862	1,491,595
2012	825,254	804,688	34,248	1,664,190
2013	824,934	881,750	33,474	1,740,157

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 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.

The Investment Policy Statement was amended to allow external investment managers to invest a portion of the fund. The new policy was approved at the March 2012 Board meeting and the new changes were strategically phased-in beginning in May 2012, with full implementation finalized during FY 2013.

Set forth below is the asset allocation of the SITIF as of August 31, 2013. Currently, Angelo State does not participate in the SITIF.

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

Description	Allocation Percentage	Market Value
Cash Composite		
Depository Accounts	9.43%	$ 85,954
Money Market Funds	10.78%	98,209
Local Gov't Investment Pool	18.44%	168,082
Total Composite	38.65%	$352,245
Short Term Composite		
Money Market Fund	0.00%	$ 1
Local Gov't Investment Pool	4.51%	41,105
U.S. Agency Notes	15.77%	143,674
Treasury Notes	6.66%	60,722
Total Composite	26.94%	$245,502
Intermediate Composite		
Local Gov't Investment Pool	3.74%	$ 34,070
External Investment Managers	30.67%	279,456
Total Composite	34.41%	$313,526
Total Fund	100.00%	$911,274

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The Long-Term Investment Fund. The LTIF is a unitized pooled investment fund created by the Board for the collective investment of certain eligible endowment funds (and certain institutional funds treated as endowments) of the University System. 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 is managed by unaffiliated investment managers selected by the Board upon the recommendation of the Investment Advisory Committee.

Set forth below is the asset allocation of the Long Term Investment Fund (LTIF) managed by the Board and Assets held outside of the LTIF for the ASU and Carr Foundation Investments as of August 31, 2013.

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

Description	Allocation Percentage	Market Value
Equities	38.06%	$335,600
Fixed Income	8.07%	71,117
Alternative Assets	52.34%	461,573
Cash and Cash Equivalents	1.53%	13,460
Total	100.00%	$881,750

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

Description	Allocation Percentage	Market Value
Mineral Rights	20.43%	$6,838
Corporate Bonds	0.00%	1
Cash and Cash Equivalents	79.57%	26,635
Total	100.00%	$33,474

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)

2009	2010	2011	2012	2013
$709,923	$785,391	$860,503	$883,608	$973,083

[End]