

**CONTINUING DISCLOSURE ANNUAL REPORT**

**Filed by**

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



**FISCAL YEAR 2011**

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

Larry K. Anders ..... Term Expires January 31, 2017 ..... Dallas, TX  
L. Frederick Francis ..... Term Expires January 31, 2013 ..... El Paso, TX  
John T. Huffaker ..... Term Expires January 31, 2015 ..... Amarillo, TX  
Mickey L. Long ..... Term Expires January 31, 2015 ..... Midland, TX  
Debbie Montford..... Term Expires January 31, 2017 ..... San Antonio, TX  
Nancy Neal..... Term Expires January 31, 2015 ..... Lubbock, TX  
John F. Scovell..... Term Expires January 31, 2013 ..... Dallas, TX  
John D. Steinmetz ..... Term Expires January 31, 2017 ..... Lubbock, TX  
Jerry E. Turner ..... Term Expires January 31, 2013 ..... Blanco, TX

Student Regent

Jill Fadal..... Term Expires May 31, 2012 ..... Austin, TX

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Mickey L. Long ..... Vice Chairman  
Ben W. Lock ..... Secretary

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Jim Brunjes ..... Vice Chancellor and Chief Financial Officer  
Guy Bailey ..... TTU President  
Tedd Mitchell..... TTUHSC President  
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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.

This Annual Report contains financial information and operating data with respect to the University System. Information in this Annual Report regarding the University System has been compiled by the University System from the University System’s records and other sources which are believed by the Board to be reliable and is provided in satisfaction of the Board’s Undertaking. It 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 to 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 (University System) is composed of a central administrative agency, the Texas Tech University System Administration, and three component institutions – Texas Tech University, Texas Tech University Health Sciences Center, and Angelo State University. These three 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 and his staff are supported by the Texas Tech University System Administration.

Texas Tech University, based in Lubbock, 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 32,000 students enroll annually, coming from 50 states and more than 90 foreign countries. These students choose from among 152 undergraduate, 107 masters, and 64 doctoral programs.

Texas Tech University Health Sciences Center has an enrollment of approximately 4,000 students in its schools of medicine, nursing, allied health, pharmacy, and the graduate school of biomedical sciences. The Lubbock campus serves as the administrative hub for the Health Sciences Center, with regional campuses located in Amarillo, El Paso and the Permian Basin (Odessa/Midland), and with academic centers in Dallas and Abilene.

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 more than 7,000 students from 210 of Texas’ 254 counties and 41 other states and 22 countries. The Texas Legislature (80th Regular Session) passed H.B. 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.

The Texas Tech University System employs more than 18,000 faculty and staff. The annual combined budget of the System totals is approximately \$1.5 billion; approximately \$377 million of these funds are provided by the State’s General Revenue and ARRA funds. The total enrollment across all components is more than 43,000 students.

## 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 Pledge Revenues for the last five fiscal years.

### **Texas Tech University System Pledged Revenues**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Available Pledged Revenues Not Including Fund Balances	\$ 415,240,935	\$ 494,884,615	\$ 523,830,973	\$ 576,009,311	\$ 606,785,300
Pledgeable Unappropriated Funds and Reserve Balances	<u>\$ 169,417,039</u>	<u>\$ 220,780,807</u>	<u>\$ 234,036,451</u>	<u>\$ 221,182,551</u>	<u>\$ 255,912,878</u>
Total Pledged Revenues	\$ 584,657,974	\$ 715,665,422	\$ 757,867,424	\$ 797,191,862	\$ 862,698,178

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 arose, the University System has not included such balances in the calculation of Pledge Revenues. As of August 31, 2011, the quasi-endowment balances have a fair market value of \$114.3 million.

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Set forth below is a summary of the debt service requirements of all Parity Obligations outstanding as of August 31, 2011:

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**Texas Tech University System**  
Debt Service for All Series  
As of Aug 31, 2011 through Maturity

Fiscal Year			Annual Debt	O/S Obligations
Ending	Principal	Interest	Service	Balance
8/31/2011				442,720,000
8/31/2012	23,340,000	21,471,491.25	44,811,491.25	419,380,000
8/31/2013	24,260,000	20,358,816.25	44,618,816.25	395,120,000
8/31/2014	24,860,000	19,139,897.50	43,999,897.50	370,260,000
8/31/2015	26,265,000	17,969,103.75	44,234,103.75	343,995,000
8/31/2016	24,745,000	16,633,916.25	41,378,916.25	319,250,000
8/31/2017	25,745,000	15,351,778.75	41,096,778.75	293,505,000
8/31/2018	26,590,000	14,095,517.50	40,685,517.50	266,915,000
8/31/2019	27,175,000	12,834,862.50	40,009,862.50	239,740,000
8/31/2020	28,475,000	11,526,110.00	40,001,110.00	211,265,000
8/31/2021	29,860,000	10,148,961.25	40,008,961.25	181,405,000
8/31/2022	24,915,000	8,807,921.25	33,722,921.25	156,490,000
8/31/2023	26,205,000	7,507,221.25	33,712,221.25	130,285,000
8/31/2024	20,100,000	6,327,456.25	26,427,456.25	110,185,000
8/31/2025	21,155,000	5,272,591.25	26,427,591.25	89,030,000
8/31/2026	22,260,000	4,162,091.25	26,422,091.25	66,770,000
8/31/2027	16,200,000	3,173,876.25	19,373,876.25	50,570,000
8/31/2028	15,305,000	2,357,661.25	17,662,661.25	35,265,000
8/31/2029	9,270,000	1,712,013.13	10,982,013.13	25,995,000
8/31/2030	6,280,000	1,295,190.63	7,575,190.63	19,715,000
8/31/2031	6,625,000	948,502.50	7,573,502.50	13,090,000
8/31/2032	1,590,000	642,400.00	2,232,400.00	11,500,000
8/31/2033	1,675,000	558,734.38	2,233,734.38	9,825,000
8/31/2034	1,765,000	469,481.25	2,234,481.25	8,060,000
8/31/2035	1,860,000	374,325.00	2,234,325.00	6,200,000
8/31/2036	1,960,000	274,050.00	2,234,050.00	4,240,000
8/31/2037	2,065,000	168,393.75	2,233,393.75	2,175,000
8/31/2038	2,175,000	57,093.75	2,232,093.75	
	442,720,000	203,639,458	646,359,458	

Outstanding Commercial Paper as of August 31, 2011 was \$85,357,000.00.

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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.

<b>Texas Tech University System</b>				
Tuition Revenue Bonds for All Series				
Debt Service Schedule				
As of August 31, 2011 through Maturity				
Period Ending	Principal	Interest	Debt Service	O/S Obligations Balance
8/31/2011				210,864,555.72
8/31/2012	12,491,489.98	10,012,540.37	22,504,030.35	198,373,065.74
8/31/2013	13,229,933.27	9,417,792.14	22,647,725.41	185,143,132.47
8/31/2014	13,804,319.13	8,788,479.49	22,592,798.62	171,338,813.34
8/31/2015	13,561,243.92	8,147,531.58	21,708,775.50	157,777,569.42
8/31/2016	12,530,700.80	7,483,120.46	20,013,821.26	145,246,868.62
8/31/2017	13,200,526.19	6,827,077.29	20,027,603.48	132,046,342.43
8/31/2018	13,870,875.75	6,155,599.50	20,026,475.25	118,175,466.68
8/31/2019	14,095,426.74	5,479,513.29	19,574,940.03	104,080,039.94
8/31/2020	14,790,038.84	4,785,312.13	19,575,350.97	89,290,001.10
8/31/2021	15,504,581.66	4,060,776.75	19,565,358.41	73,785,419.44
8/31/2022	14,662,709.09	3,322,703.23	17,985,412.32	59,122,710.35
8/31/2023	15,407,536.65	2,570,947.09	17,978,483.74	43,715,173.70
8/31/2024	8,722,609.35	1,967,693.45	10,690,302.80	34,992,564.35
8/31/2025	9,162,428.94	1,520,567.50	10,682,996.44	25,830,135.41
8/31/2026	9,637,241.05	1,050,575.76	10,687,816.81	16,192,894.36
8/31/2027	6,877,140.87	637,716.21	7,514,857.08	9,315,753.49
8/31/2028	7,235,469.08	284,900.95	7,520,370.03	2,080,284.41
8/31/2029	2,080,284.41	52,007.11	2,132,291.52	
	210,864,555.72	82,564,854.30	293,429,410.02	

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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 for which the 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.

<b>Date</b>	<b>Principal</b>	<b>Interest</b>	<b>Total P+I</b>
08/31/2012	2,925,628.09	1,825,499.94	4,751,128.03
08/31/2013	2,889,092.88	1,680,100.06	4,569,192.94
08/31/2014	3,089,074.81	1,535,575.64	4,624,650.45
08/31/2015	2,777,479.10	1,381,048.24	4,158,527.34
08/31/2016	2,658,786.99	1,242,096.68	3,900,883.67
08/31/2017	2,789,960.24	1,109,076.24	3,899,036.48
08/31/2018	2,933,443.04	969,578.20	3,903,021.24
08/31/2019	1,547,775.45	822,906.06	2,370,681.51
08/31/2020	1,624,466.89	745,517.28	2,369,984.17
08/31/2021	1,691,722.13	664,293.96	2,356,016.09
08/31/2022	1,768,413.57	579,812.14	2,348,225.71
08/31/2023	695,000.00	491,500.00	1,186,500.00
08/31/2024	730,000.00	456,750.00	1,186,750.00
08/31/2025	770,000.00	420,250.00	1,190,250.00
08/31/2026	800,000.00	381,750.00	1,181,750.00
08/31/2027	840,000.00	341,750.00	1,181,750.00
08/31/2028	885,000.00	299,750.00	1,184,750.00
08/31/2029	925,000.00	255,500.00	1,180,500.00
08/31/2030	975,000.00	209,250.00	1,184,250.00
08/31/2031	1,015,000.00	160,500.00	1,175,500.00
08/31/2032	1,070,000.00	109,750.00	1,179,750.00
08/31/2033	1,125,000.00	56,250.00	1,181,250.00
<b>Total</b>	<b>\$ 36,525,843.19</b>	<b>\$ 15,738,504.44</b>	<b>\$ 52,264,347.63</b>

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## Admissions and Matriculation

Texas Tech University Set forth below is the information relating to undergraduate admissions and matriculation for Texas Tech University for each of the last five fall semesters:

<b>Admissions and Matriculation Information</b>					
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Applications Submitted	13,976	16,143	16,541	16,356	17,624
Applications Accepted	10,759	11,643	11,242	11,721	11,683
Matriculation	4,515	4,407	4,586	4,860	4,466
% Accepted	76.98%	72.12%	67.96%	71.66%	66.29%
% Matriculated	41.96%	37.85%	40.79%	41.46%	38.23%

The Health Sciences Center Set forth below is the information relating to first-time admissions for the Health Sciences Center for each of the last five fall semesters:

<b>Admissions and Matriculation Information</b>					
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Applications Submitted	6,790	6,584	10,037	11,110	12,484
Applications Accepted	1,339	1,333	1,502	1,781	1,988
Matriculation	1,271	1,253	1,414	1,633	1,831
% Accepted	19.72%	20.25%	14.96%	16.03%	15.92%
% Matriculated	94.92%	94.00%	94.14%	91.69%	92.10%

Angelo State University Set forth below is the information relating to undergraduate admissions for Angelo State for each of the last five fall semesters:

<b>Admissions and Matriculation Information</b>					
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Applications Submitted	3,267	3,712	2,925	3,130	3,032
Applications Accepted	3,235	3,315	2,809	2,979	2,815
Matriculation	1,378	1,467	1,474	1,475	1,455
% Accepted	99.02%	89.30%	96.03%	95.10%	92.80%
% Matriculated	42.60%	44.25%	52.47%	49.51%	51.70%

Note: Angelo State University's enrollment information is only included in the 2007 through 2011 statistics since this campus was officially acquired as of September 1, 2007. Angelo State University's enrollment information for prior periods may be available from the NRMSIRs and SID in connection with previous filings made therewith by the TSUS Board with respect to TSUS Revenue Financing System obligations.

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## Enrollment

Set forth below is the fall semester total enrollment at Texas Tech University, the Health Sciences Center, and Angelo State University for each of the last five fall semesters:

<b>Headcount Enrollment Information</b>					
<u>Institutions:</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Texas Tech University	28,260	28,422	30,049	31,637	32,327
The Health Sciences Center	2,616	2,904	3,250	3,710	4,094
Angelo State University <sup>(1)</sup>	6,185	6,113	6,387	6,856	7,084
<b>Total</b>	<b>37,061</b>	<b>37,439</b>	<b>39,686</b>	<b>42,203</b>	<b>43,505</b>

Set forth below is the fall semester headcount undergraduate enrollment at Texas Tech University, the Health Sciences Center, and Angelo State University for each of the last five fall semesters:

<b>Undergraduate Headcount Enrollment Information</b>					
<u>Institutions:</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Texas Tech University	23,021	23,107	24,236	25,462	26,063
The Health Sciences Center	646	768	821	972	1,154
Angelo State University <sup>(1)</sup>	5,763	5,648	5,859	6,155	6,267
<b>Total</b>	<b>29,430</b>	<b>29,523</b>	<b>30,916</b>	<b>32,589</b>	<b>33,484</b>

Set forth below is the fall semester graduate enrollment at Texas Tech University, the Health Sciences Center, and Angelo State University for each of the last five fall semesters:

<b>Graduate Headcount Enrollment Information</b>					
<u>Institutions:</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Texas Tech University	5,239	5,315	5,813	6,175	6,264
The Health Sciences Center	2,008	2,181	2,568	2,744	2,940
Angelo State University <sup>(1)</sup>	422	465	528	701	817
<b>Total</b>	<b>7,631</b>	<b>7,916</b>	<b>8,770</b>	<b>9,614</b>	<b>10,021</b>

- (1) Angelo State University's enrollment information is only included in the 2007 through 2009 statistics since this campus was officially acquired as of September 1, 2007. Angelo State University's enrollment information for prior periods may be available from the NRMSIRs and SID in connection with previous filings made therewith by the TSUS Board with respect to TSUS Revenue Financing System obligations.

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Set forth below is the fall semester full-time equivalent enrollment at Texas Tech University, the Health Sciences Center, and Angelo State University for each of the last five fall semesters:

<b>Full-Time Equivalent Enrollment Information</b>					
<u>Institutions:</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Texas Tech University	24,792	24,791	25,909	27,173	28,356
The Health Sciences Center	2,363	2,636	2,723	3,234	3,694
Angelo State University <sup>(1)</sup>	5,201	5,099	5,246	5,613	5,816
<b>Total</b>	<b>32,356</b>	<b>32,526</b>	<b>33,878</b>	<b>36,020</b>	<b>37,866</b>

- (1) Angelo State University’s enrollment information is only included in the 2007 through 2011 statistics since this campus was officially acquired as of September 1, 2007. Angelo State University’s enrollment information for prior periods may be available from the NRMSIRs and SID in connection with previous filings made therewith by the TSUS Board with respect to TSUS Revenue Financing System obligations.

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## Financial Statements

Set forth below reflects the condensed statement of net assets of the University System as of August 31, 2007 through 2011.

### Condensed Statement of Net Assets As of August 31 (In Thousands)

<b>Assets:</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Current Assets	\$537,982	\$795,422	\$768,321	\$723,306	\$727,951
Capital Assets, Net	925,861	1,074,389	1,130,108	1,236,086	1,357,096
Other Assets	1,011,601	1,012,742	1,007,533	1,161,920	1,247,514
<b>Total Assets</b>	<b>\$2,475,444</b>	<b>\$2,882,553</b>	<b>\$2,905,962</b>	<b>\$3,121,312</b>	<b>\$3,332,561</b>
 <b>Liabilities:</b>					
Current Liabilities	\$304,010	\$384,051	\$341,403	\$406,583	\$432,643
Non Current Liabilities	437,227	418,010	524,777	504,587	479,301
<b>Total Liabilities</b>	<b>\$741,237</b>	<b>\$802,061</b>	<b>\$866,180</b>	<b>\$911,170</b>	<b>\$911,944</b>
 <b>Net Assets:</b>					
Invested in Capital Assets, Net of Related Debt	\$499,576	\$612,776	\$643,065	\$745,619	\$842,500
Restricted					
Expendable	200,849	258,551	279,615	281,744	329,459
Non-Expendable	539,695	609,107	565,408	611,227	607,566
Unrestricted	494,087	600,058	551,694	571,552	641,092
<b>Total Net Assets</b>	<b>\$1,734,207</b>	<b>\$2,080,492</b>	<b>\$2,039,782</b>	<b>\$2,210,142</b>	<b>\$2,420,617</b>
<b>Liabilities and Net Assets</b>	<b>\$2,475,444</b>	<b>\$2,882,553</b>	<b>\$2,905,262</b>	<b>\$3,121,312</b>	<b>\$3,332,561</b>

Set forth below reflects the condensed statement of revenues, expenses, and changes in net assets of the University System as of August 31, 2008 through 2011.

**Texas Tech University System**  
**Statement of Revenues, Expenses, and Changes in Net Assets (Unaudited)**  
**For the Year Ended August 31**

<b>Operating Revenues</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Tuition and Fees	\$ 58,138,488	\$ 10,532,113	\$ 7,245,429	\$ 7,293,899
Tuition and Fees: Pledged	210,039,645	268,761,882	320,787,494	376,249,331
Less Discounts and Allowances	(33,293,206)	(36,661,544)	(52,522,239)	(72,865,988)
Professional Fees	213,465,149	216,063,188	220,755,559	238,309,852
Sales and Services of Auxiliary Enterprises	89,439,837	99,104,611	103,094,186	112,351,702
Other Sales and Services	5,074,173	3,095,731	2,055,889	3,225,220
Other Sales and Services: Pledged	14,380,954	10,297,714	14,076,928	10,528,165
Federal Grants and Contracts	58,558,054	42,608,760	57,133,686	60,287,379
Federal Grants and Contracts: Pledged	2,483,120	3,246,345	3,732,446	4,386,604
Federal Pass-Through (net of administrative costs)	6,222,125	7,664,057	9,071,120	8,079,929
State Grants and Contracts	9,539,471	5,636,341	4,691,834	9,238,369
State Grants and Contracts: Pledged	159,320	149,637	377,175	265,357
State Pass-Through	20,556,481	26,246,584	36,036,487	39,430,267
Local Government Grants and Contracts	84,198,457	98,915,880	66,146,365	50,640,055
Local Government Grants and Contracts: Pledged	693,668	816,795	1,271,112	1,178,333
Nongovernmental Grants and Contracts	36,550,004	36,917,350	70,679,069	90,995,772
Nongovernmental Grants and Contracts: Pledged	3,380,844	2,557,430	2,490,679	2,222,586
<b>Total Operating Revenues</b>	<b>\$ 779,586,584</b>	<b>\$ 795,952,873</b>	<b>\$ 867,123,220</b>	<b>\$ 941,816,834</b>
<b>Operating Expenses</b>				
Instruction	439,666,390	432,647,449	413,677,109	410,223,225
Research	62,128,328	101,275,082	144,787,511	156,778,908
Public Service	126,922,318	135,532,447	137,221,227	136,694,840
Hospital and Clinic	-	-	50,558,402	54,886,447
Academic Support	155,443,394	173,541,461	162,147,825	176,280,674
Student Services	39,420,979	41,128,969	45,643,963	44,330,072
Institutional Support	90,229,139	91,374,837	101,417,652	86,309,457
Operations and Maintenance of Plant	67,508,423	81,091,074	73,741,131	71,926,791
Scholarships and Fellowships	31,949,650	32,651,208	39,097,283	46,396,485
Auxiliary Enterprises	101,432,976	108,038,008	113,191,737	111,690,114
Depreciation and Amortization	61,086,408	68,123,936	78,849,084	100,321,916
<b>Total Operating Expenses</b>	<b>\$ 1,175,788,003</b>	<b>\$ 1,265,404,471</b>	<b>\$ 1,360,332,922</b>	<b>\$ 1,395,838,930</b>
<b>Operating Income (Loss)</b>	<b>\$ (396,201,419)</b>	<b>\$ (469,451,597)</b>	<b>\$ (493,209,702)</b>	<b>\$ (454,022,096)</b>
<b>Non-operating Revenues (Expenses)</b>				
Legislative Revenue	385,181,462	359,514,138	379,596,417	384,304,719
Federal Grants and Contracts	376,543	22,496,065	42,826,533	47,660,940
Federal Grants Pass Throughs	-	-	18,485,112	8,341,045
Private Gifts Pledged	94,668,099	63,736,275	6,108,482	47,441,977
Private Gifts	3,726,664	11,124,672	49,828,677	4,640,760
Investment Income	26,489,850	(23,961,013)	47,793,565	40,699,316
Investment Income: Pledged	21,622,338	10,858,888	7,869,023	8,605,686
Interest Expense on Capital Asset Financing	(18,635,293)	(21,606,486)	(23,282,356)	(21,467,597)
Loss on Sale and Disposal of Capital Assets	(3,115,031)	(1,061,496)	(6,717,390)	(2,170,890)
Net Increase (Decrease) in Fair Value of Investments	(44,858,196)	(46,521,132)	31,594,889	36,884,949
Other Non-operating Revenues (Expenses)	5,968,761	3,661,084	4,805,295	19,201,966
Other Non-operating Revenues (Expenses): Pledged	7,628,515	7,477,328	5,266,787	2,631,591
<b>Total Non-operating Revenues (Expenses)</b>	<b>\$ 479,053,711</b>	<b>\$ 385,718,324</b>	<b>\$ 564,175,035</b>	<b>\$ 576,774,461</b>
<b>Income (Loss) before Other Revenues, Expenses, Gains, Losses</b>	<b>\$ 82,852,292</b>	<b>\$ (83,733,274)</b>	<b>\$ 70,965,332</b>	<b>\$ 122,752,365</b>

	2008	2009	2010	2011
<b>Other Revenues, Expenses, Gains, Losses and Transfers</b>				
Capital Appropriations (HEAF)	48,264,720	45,968,915	45,968,915	44,652,684
Capital Contributions	9,616,129	2,113,826	61,118,840	55,449,100
Lapsed Appropriations	(18,825)	(151)	(3,040)	(786)
Additions to Permanent Endowments	2,719,031	492,195	3,328,639	428,424
Increase Net Assets- Interagency Transfer Capital Assets	41,344	-	28,966	(2,880,859)
Decrease Net Assets- Interagency Transfer Capital Assets	-	-	(2,330)	304
Legislative Transfer Out	(4,125,475)	(3,119,951)	(2,947,222)	(9,920,579)
Transfers in from Other State Agencies	215,582,334	40,502	-	-
Transfer Out to Other State Agencies	(8,646,861)	(15,175,723)	(8,098,463)	-
<b>Net Other Revenues, Expenses, Gains, Losses and Transfers</b>	<b>\$ 263,432,396</b>	<b>\$ 30,319,612</b>	<b>\$ 99,394,305</b>	<b>\$ 87,728,286</b>
<b>Total Changes in Net Assets</b>	<b>\$ 346,284,688</b>	<b>\$ (53,413,661)</b>	<b>\$ 170,359,637</b>	<b>\$ 210,480,652</b>
<b>Beginning Net Assets (September 1)</b>	<b>\$ 1,734,207,662</b>	<b>\$ 2,080,492,349</b>	<b>\$ 2,039,782,353</b>	<b>\$ 2,210,141,990</b>
Restatements of Beginning Net Assets		12,703,665	-	(5,949)
<b>Ending Net Assets (August 31)</b>	<b>\$ 2,080,492,349</b>	<b>\$ 2,039,782,353</b>	<b>\$ 2,210,141,990</b>	<b>\$ 2,420,616,692</b>

### Selected Financial Information

Tuition Revenue Bonds A portion of the Parity Obligations of the University System constitute as 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 2010-11 and the current 2012-13 biennium of the State Budget.

<b>2010-2013 State Tuition Revenue Bond (TRB) Appropriations</b>				
<b>(In Thousands)</b>				
	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Tuition Revenue Bond (TRB) Appropriations				
Texas Tech University	14,098	14,695	9,230	9,243
The Health Sciences Center	13,188	13,183	12,916	12,914
Angelo State University	4,119	4,026	4,004	3,962
The University System	0	0	0	0
<b>Total TRB</b>	<b>31,405</b>	<b>31,904</b>	<b>26,150</b>	<b>26,119</b>

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Tuition and Fees Each Participant granting 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 Participant, 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 2011-12 academic year based on 15 semester credit hours per semester for undergraduate students, 12 semester credit hours per semester for graduate students.

Tuition and Fees  
Academic Year 2011-2012  
Texas Tech University

	<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 hours</b>	\$750.00	\$2,187.00	\$0.00	\$1,441.30	\$4,378.30	299.40
<b>Non-Resident Undergrad 15 hours</b>	\$5,445.00	\$2,187.00	\$0.00	\$1,441.30	\$9,073.30	224.55
<b>Resident Graduate 12 hours</b>	\$600.00	\$1,749.60	\$600.00	\$1,336.30	\$4,285.90	179.64
<b>Non-Resident Graduate 12 hours</b>	\$4,356.00	\$1,749.60	\$600.00	\$1,336.30	\$8,041.90	179.64
<b>Resident Law Year 1</b>	\$1,200.00	\$5,262.00	\$2,400.00	\$2,153.80	\$11,015.80	\$685.80
<b>Year 2 and Year 3 15 hours</b>	\$1,200.00	\$3,762.00	\$2,400.00	\$2,153.80	\$9,515.80	\$460.80
<b>Non-Resident Law Year 1</b>	\$5,445.00	\$5,262.00	\$2,400.00	\$2,153.80	\$15,260.80	\$685.80
<b>Year 2 and Year 3 15 hours</b>	\$5,445.00	\$3,762.00	\$2,400.00	\$2,153.80	\$13,760.80	\$460.80

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.

Tuition and Fees  
Academic Year 2011-2012  
Angelo State

	<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 hours</b>	\$750.00	\$1,675.05	\$0.00	\$1,249.50	\$3,674.55	\$197.01
<b>Non-Resident Undergrad 15 hours</b>	5,445.00	1,675.05	0.00	1,249.50	8,369.55	0.00
<b>Resident Masters 12 hours</b>	600.00	1,340.04	540.00	1,128.50	3,608.54	118.21
<b>Non-Resident Masters 12 hours</b>	4,356.00	1,340.04	540.00	1,128.50	7,364.54	0.00

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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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Set forth below is a table showing the State Mandated Tuition, Board Designated Tuition, Board Authorized Tuition, mandatory fees, and Financial Assistance Set-asides for full-time resident and non-resident students at the Health Sciences Center.

Tuition and Fees  
Academic Year 2011-2012  
Health Sciences Center

	State Mandated Tuition	Board Designated Tuition	Board Authorized Tuition	Mandatory Fees	Total Tuition and Fees	Financial Assistance Set-Aside
<b>M.D. Resident</b>						
Year 1	\$6,550.00	\$7,000.00	\$ -	\$1,951.50	\$15,501.50	\$1,802.98
Year 2	6,550.00	7,000.00	-	1,951.50	15,501.50	1,802.98
Year 3	6,550.00	7,000.00	-	1,801.50	15,351.50	1,802.98
Year 4	6,550.00	7,000.00	-	1,711.50	15,261.50	1,802.98
<b>M.D. Non-Resident</b>						
Year 1	19,650.00	7,000.00	-	1,951.50	28,601.50	1,671.98
Year 2	19,650.00	7,000.00	-	1,951.50	28,601.50	1,671.98
Year 3	19,650.00	7,000.00	-	1,801.50	28,451.50	1,671.98
Year 4	19,650.00	7,000.00	-	1,711.50	28,361.50	1,671.98
<b>Graduate Students</b>						
Resident (24 SCH)	1,200.00	1,800.00	-	1,467.00	4,467.00	284.40
Non-Resident (24 SCH)	8,712.00	1,800.00	-	1,467.00	11,979.00	365.76
<b>Allied Health Sciences Graduate Level - Resident</b>						
Year 1 (37 SCH)	1,850.00	4,440.00	1,850.00	1,766.50	9,906.50	688.20
Year 2 (37 SCH)	1,850.00	4,440.00	1,850.00	1,766.50	9,906.50	688.20
Year 3 (37 SCH)	1,850.00	4,440.00	1,850.00	1,766.50	9,906.50	688.20
<b>Allied Health Sciences Graduate Level - Non-Resident</b>						
Year 1 (37 SCH)	13,431.00	4,440.00	1,850.00	1,766.50	21,487.50	813.63
Year 2 (37 SCH)	13,431.00	4,440.00	1,850.00	1,766.50	21,487.50	813.63
Year 3 (37 SCH)	13,431.00	4,440.00	1,850.00	1,766.50	21,487.50	813.63
<b>Allied Health Sciences Undergraduate Level - Resident</b>						
Year 1 (37 SCH)	1,850.00	4,440.00	-	1,766.50	8,056.50	825.10
Year 2 (37 SCH)	1,850.00	4,440.00	-	1,766.50	8,056.50	825.10
<b>Allied Health Sciences Undergraduate Level - Non-Resident</b>						
Year 1 (37 SCH)	13,431.00	4,440.00	-	1,766.50	19,637.50	813.63
Year 2 (37 SCH)	13,431.00	4,440.00	-	1,766.50	19,637.50	813.63

Cont'd	State Mandated Tuition	Board Designated Tuition	Board Authorized Tuition	Mandatory Fees	Total Tuition and Fees	Financial Assistance Set-Aside
<b>Nursing</b>						
<b>Graduate Level - Resident</b>						
Year 1 (24 SCH)	1,200.00	2,880.00	1,200.00	1,573.00	6,853.00	446.40
Year 2 (18 SCH)	900.00	2,160.00	900.00	1,153.00	5,113.00	334.80
<b>Nursing</b>						
<b>Graduate Level - Non-Resident</b>						
Year 1 (24 SCH)	8,712.00	2,880.00	1,200.00	1,573.00	14,365.00	527.76
Year 2 (18 SCH)	6,534.00	2,160.00	900.00	1,153.00	10,747.00	395.82
<b>Nursing</b>						
<b>Undergraduate Level - Resident</b>						
Year 1 (34 SCH)	1,700.00	4,080.00	-	1,948.00	7,728.00	758.20
Year 2 (33 SCH)	1,650.00	3,960.00	-	1,918.00	7,528.00	735.90
<b>Nursing</b>						
<b>Undergraduate Level - Non-Resident</b>						
Year 1 (34 SCH)	12,342.00	4,080.00	-	1,948.00	18,370.00	747.66
Year 2 (33 SCH)	11,979.00	3,960.00	-	1,918.00	17,857.00	725.67
<b>Pharmacy - Resident</b>						
Year 1 (41 SCH)	2,050.00	6,560.00	4,100.00	2,368.00	15,078.00	1,008.60
Year 2 (38 SCH)	1,900.00	6,080.00	3,800.00	2,338.00	14,118.00	934.80
Year 3 (38 SCH)	1,900.00	6,080.00	3,800.00	2,338.00	14,118.00	934.80
Year 4 (52 SCH)	2,600.00	8,320.00	5,200.00	2,632.00	18,752.00	1,279.20
<b>Pharmacy - Non-Resident</b>						
Year 1 (41 SCH)	14,883.00	6,560.00	4,100.00	2,368.00	27,911.00	1,147.59
Year 2 (38 SCH)	13,794.00	6,080.00	3,800.00	2,338.00	26,012.00	1,063.62
Year 3 (38 SCH)	13,794.00	6,080.00	3,800.00	2,338.00	26,012.00	1,063.62
Year 4 (52 SCH)	18,876.00	8,320.00	5,200.00	2,632.00	35,028.00	1,455.48

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.

Federal Sponsored Research Expenditures

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

<b>Texas Tech University</b>					
<b>2007-2011 Federally Sponsored Research Expenditures</b>					
<b>(In Thousands)</b>					
Federal Sources	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
USDA	5,058	3,132	4,316	5,792	3,633
Dept. of Commerce					90
Dept. of Health and Human Services	2,070	1,767	1,523	14,015	2,206
Dept. of Defense	4,533	5,971	8,634	11,341	6,658
Dept. of Education	2,470	2,550	2,372	-	639
Dept. of Energy			-	3,940	3,426
Dept. of the Interior					783
Environmental Protection Agency					289
National Fndn for Arts/Humanities					288
NASA	1,605	790	690	630	525
National Science Foundation	4,259	4,106	4,877	8,109	8,849
Small Business Admin					42
Other Federal Agencies/Pass Thru	3,903	2,994	1,772	5,220	7,763
<b>Total Federal Sources</b>	<b>23,898</b>	<b>21,310</b>	<b>24,184</b>	<b>49,047</b>	<b>35,191</b>

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

<b>Angelo State University</b>					
<b>2007-2011 Federally Sponsored Research Expenditures</b>					
<b>(In Thousands)</b>					
Federal Sources	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
USDA	41	3			
Dept. of Education				127	191
Dept. of the Interior		1			
Dept. of Transportation, Research & Innovative Technology Admin		3	11		
National Science Foundation	40	56	68	55	61
Office of Naval Research			233	54	66
<b>Total Federal Sources</b>	<b>81</b>	<b>63</b>	<b>312</b>	<b>236</b>	<b>318</b>

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Set forth below is the Health Sciences Center's Federal sponsored research expenditures of the most recent five Fiscal Years.

<b>Health Sciences Center</b>					
<b>2007-2011 Federally Sponsored Research Expenditures</b>					
<b>(In Thousands)</b>					
Federal Sources	<u><b>2007</b></u>	<u><b>2008</b></u>	<u><b>2009</b></u>	<u><b>2010</b></u>	<u><b>2011</b></u>
USDA			290	172	20
Dept. of Health and Human Services			8,291	9,939	11,575
Dept. of Defense					125
Environmental Protection Agency					105
Other Federal Agencies/Pass Thru			2,693	2,839	2,965
<b>Total Federal Sources</b>	<u>8,765</u>	<u>8,995</u>	<u>11,274</u>	<u>12,950</u>	<u>14,790</u>

NOTE: A breakdown for Fiscal Years 2007 and 2008 is unavailable at this time.

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## Investments

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.

<b>Market Value of Investment Funds (in Thousands)</b>				
<u>August 31</u>	<u>Short Intermediate Term Fund</u>	<u>Long Term Fund</u>	<u>ASU &amp; Carr Foundation</u>	<u>Total Market Value</u>
2011	\$ 634,697	\$ 779,611	\$ 31,862	\$ 1,446,170
2010	653,357	727,335	34,462	1,415,154
2009	653,435	651,165	34,996	1,339,596
2008	622,227	684,772	78,554	1,385,553
2007	549,190	599,560	N/A	1,148,750

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, 2011.

<b>Asset Allocation for the Long Term Investment Fund (in Thousands)</b>		
<u>Description</u>	<u>Allocation Percentage</u>	<u>Market Value</u>
Equities	24.27%	\$176,509,675
Fixed Income	11.12%	80,883,203
Alternative Assets	57.48%	418,060,776
Cash and Cash Equivalents	7.13%	51,881,833
<b>Total</b>	<b>100.00%</b>	<b>\$727,335,487</b>

<b>Allocation of Assets held outside of LTIF for ASU &amp; Carr Foundation (in Thousands)</b>		
<u>Description</u>	<u>Allocation Percentage</u>	<u>Market Value</u>
Mineral Rights	19.84%	\$6,837,834
Corporate Bonds	0.02%	5,634
Bond Index Funds	0.20%	67,381
TexPool	79.94%	27,551,017
<b>Total</b>	<b>100.00%</b>	<b>\$34,461,866</b>

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.

<b>Endowments (in Thousands)</b>				
<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$699,242	\$779,810	\$709,923	\$785,391	\$785,391

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Set forth below is the asset allocation of the Short/Intermediate Term Investment Fund (SITIF) managed by the Board as of August 31, 2011. Currently, Angelo State does not participate in the Board managed SITIF.

<b>Asset Allocation for the Short/Intermediate Term Fund (in Thousands)</b>		
Description	Allocation Percentage	Market Value
Deposits in Bank	6.68%	\$ 45,424,510
U.S. Agency Notes	6.18%	42,007,261
Treasury Notes	19.20%	130,561,800
Fixed Income Index Fund	25.96%	176,551,477
Blackrock Temp Fund	4.42%	30,049,621
TexPool <sup>(1)</sup>	37.56%	255,527,174
<b>Totals</b>	<b>100.00%</b>	<b>\$ 680,121,844</b>

- (1) The SITIF utilizes TexPool, a local government investment pool currently managed by Federated Investors with oversight by the Texas State Comptroller of Public Accounts, as a cash management tool.

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