

CONTINUING DISCLOSURE ANNUAL REPORT

Filed by

BOARD OF REGENTS OF THE TEXAS TECH UNIVERSITY SYSTEM



FISCAL YEAR 2012

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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L. Frederick Francis Term Expires January 31, 2013 El Paso, TX
John Walker Term Expires January 31, 2015 Houston, TX
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Jerry E. Turner Term Expires January 31, 2013 Blanco, TX

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Suzanne Taylor Term Expires May 31, 2013 Arlington, TX

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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 (“Issues”).

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 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

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 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.

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

	2008	2009	2010	2011	2012
Available Pledged Revenues Not Including Fund Balances	\$ 494,884,615	\$ 523,830,973	\$ 576,009,311	\$ 606,785,300	\$ 690,725,360
Pledgeable Unappropriated Funds and Reserve Balances	220,780,807	121,497,000	160,000,000	200,000,000	200,000,000

Outstanding Obligations

Set forth below is a summary of the debt service requirements of all Parity Obligations outstanding as of August 31, 2012:

Texas Tech University System RFS Bonds Debt Service for All Series as of August 31, 2012 through Maturity

Period Ending	Principal	Interest	Annual Debt Service	Obligations Balance
8/31/2012				\$ 521,640,000
8/31/2013	\$ 27,750,000	\$ 23,619,700	\$ 51,369,700	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	17,045,999	68,625,000
8/31/2030	10,410,000	3,243,621	13,648,699	58,215,000
8/31/2031	10,905,000	2,740,165	13,641,616	47,310,000
8/31/2032	6,000,000	2,272,750	8,270,826	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	8,262,901	28,390,000
8/31/2035	6,960,000	1,310,175	8,265,969	21,430,000
8/31/2036	7,315,000	954,900	8,266,864	14,115,000
8/31/2037	3,875,000	581,494	4,454,840	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	-
	\$ 521,640,000	\$ 242,604,016	\$ 764,213,458	

Outstanding Commercial Paper as of August 31, 2012 was \$27,159,000.

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, 2012 through Maturity**

Period Ending	Principal	Interest	Debt Service	Obligations Balance
8/31/2012				\$ 193,850,136
8/31/2013	\$ 14,039,683	\$ 8,753,137	\$ 22,792,820	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	
	\$ 193,850,136	\$ 68,023,728	\$ 261,873,864	

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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.

Texas State University System RFS Bonds
Debt Service
Angelo State University - All Series
as of Aug 31, 2012 to Maturity

Date	Principal	Interest	Annual Debt Service	Obligations Balance
8/31/2012				\$ 33,247,074
8/31/2013	\$ 2,861,199	\$ 1,662,354	\$ 4,523,553	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	-
\$ 33,247,074 \$ 13,809,995 \$ 47,057,070				

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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 2008</u>	<u>Fall 2009</u>	<u>Fall 2010</u>	<u>Fall 2011</u>	<u>Fall 2012</u>
Texas Tech University	23,107	24,236	25,462	26,063	26,481
The Health Sciences Center	723	682	983	1,154	1,305
Angelo State University	5,648	5,859	6,155	6,267	6,008
Undergraduate Total	29,478	30,777	32,600	33,484	33,794
<u>Graduate & Professional</u>					
Texas Tech University	5,315	5,813	6,175	6,264	5,986
The Health Sciences Center	2,181	2,568	2,744	2,940	3,065
Angelo State University	465	528	701	817	880
Graduate Total	7,961	8,909	9,620	10,021	9,931
Total	37,439	39,686	42,220	43,505	43,725

Full-Time Equivalent Enrollment Information

<u>Undergraduate</u>	<u>Fall 2008</u>	<u>Fall 2009</u>	<u>Fall 2010</u>	<u>Fall 2011</u>	<u>Fall 2012</u>
Texas Tech University	21,190	22,009	22,984	23,453	23,619
The Health Sciences Center	679	652	901	1,106	1,251
Angelo State University	4,730	4,829	4,896	4,921	4,968
Undergraduate Total	26,599	27,490	28,781	29,480	29,838
<u>Graduate & Professional</u>					
Texas Tech University	3,601	3,900	4,189	4,903	4,766
The Health Sciences Center	1,836	2,316	2,435	2,589	2,721
Angelo State University	277	321	397	482	428
Graduate Total	5,714	6,537	7,021	7,974	7,915
Total	32,313	34,027	35,802	37,454	37,753

Note: The enrollment data in the two aforementioned tables has been updated from prior years' disclosures. The FTE data has been updated to properly reflect Health Sciences Center students enrolled in programs that exceed 1 FTE which were disclosed before as 1 FTE.

Admissions and Matriculation

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

Admissions and Matriculation Information

	2008	%	2009	%	2010	%	2011	%	2012	%
First-Year:										
Applications Submitted	26,439	100.0	30,053	100.0	30,588	100.0	33,140	100.0	33,624	100.0
Applications Accepted	16,291	61.6	15,553	51.8	16,481	53.9	16,486	49.7	15,858	47.2
Matriculation	7,127	27.0	7,787	25.9	8,182	26.7	7,752	23.4	7,765	23.1
Matriculation from outside state	458	1.7	458	1.5	505	1.7	576	1.7	663	2.0
Transfers:										
Applications Submitted	4,366	100.0	5,314	100.0	5,399	100.0	5,493	100.0	5,264	100.0
Applications Accepted	3,331	76.3	4,312	81.1	4,387	81.3	4,420	80.5	4,347	82.6
Matriculation	2,560	58.6	2,909	54.7	2,914	54.0	2,936	53.4	2,963	56.3
Matriculation from outside state	239	5.5	219	4.1	239	4.4	254	4.6	291	5.5

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 ted

Set forth below reflects the condensed statement of net assets of the University System as of August 31, 2008 through 2012.

**Condensed Statement of Net Assets
as of August 31
(in thousands)**

Assets:	2008	2009	2010	2011	2012
Current Assets	\$795,422	\$768,321	\$723,306	\$727,951	\$772,171
Capital Assets, Net	1,074,389	1,130,108	1,236,086	1,357,096	1,413,353

Set forth below reflects the condensed statement of revenues, expenses, and changes in net assets of the University System as of August 31, 2009 through 2012.

Operating Revenues	2009	2010	2011	2012
Tuition and Fees	\$ 10,532	\$ 7,245	\$ 7,294	\$ 7,684
Tuition and Fees: Pledged	268,762	320,787	376,249	416,376
Less Discounts and Allowances	(36,662)	(52,522)	(72,865)	(92,619)
Professional Fees	216,063	220,756	238,310	221,496
Professional Fees - Pledged				1,383
Sales and Services of Auxiliary Enterprises - Pledged	99,105	103,094	112,352	127,435
Other Sales and Services	3,096	2,056	3,225	3,413
Other Sales and Services: Pledged	10,298	14,077	10,528	10,385
Federal Grants and Contracts	42,609	57,134	60,287	55,227
Federal Grants and Contracts: Pledged	3,246	3,732	4,387	4,621
Federal Pass-Through (net of administrative costs)	7,664	9,071	8,080	5,409
State Grants and Contracts	5,636	4,692	9,238	6,971
State Grants and Contracts: Pledged	150	377	265	558
State Pass-Through	26,247	36,036	39,430	29,868
Local Government Grants and Contracts	98,916	66,146	50,640	51,599
Local Government Grants and Contracts: Pledged	817	1,271	1,178	1,168
Nongovernmental Grants and Contracts	36,917	70,679	90,996	102,736
Nongovernmental Grants and Contracts: Pledged	2,557	2,491	2,223	2,173
Total Operating Revenues	\$795,953	\$867,123	\$941,817	\$955,883

Operating Expenses

Instruction	\$ 432,647	\$ 413,677	\$ 410,048	\$ 446,484
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Set forth below reflects the condensed statement of cash flows of the University System as of August 31, 2008 through 2012.

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

	2008	2009	2010	2011	2012
Cash Flows From					
Operating Activities	\$ (372,310)	\$ (405,679)	\$ (386,780)	\$ (327,728)	\$ (345,674)
Non-capital Financing Activities	506,043	462,771	501,076	412,323	505,857
Capital and Related Financing Activities	(78,017)	(22,933)	(111,510)	(136,927)	(88,763)
Investing Activities	102,371	12,857	(82,237)	(13,823)	(16,044)
Increase in Cash & Cash Equivalents	158,087	47,016	(79,451)	(66,155)	55,377
Cash & Cash Equivalents, Beginning of Year	405,195	563,283	610,299	530,848	464,693
Cash & Cash Equivalents, End of Year	<u>\$ 563,283</u>	<u>\$ 610,299</u>	<u>\$ 530,848</u>	<u>\$ 464,693</u>	<u>\$ 520,070</u>

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.

**2010-2013 State Tuition Revenue Bond (TRB) Appropriations
(In Thousands)**

	2010	2011	2012	2013
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	-	-	-	-
Total TRB	<u>\$ 31,405</u>	<u>\$ 31,904</u>	<u>\$ 26,150</u>	<u>\$ 26,119</u>

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 2012-13 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 2012-2013**

	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)	6,015.00	2,288.55	0.00	1,432.50	9,736.05	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)	4,812.00	1,830.84	600.00	1,327.50	8,570.34	239.78
Resident Law (15 hrs)						
Year 1	1,200.00	5,363.55	2,400.00	2,145.00	11,015.80	701.03
Year 2 and 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	6,015.00	5,363.55	2,400.00	2,145.00	15,923.55	701.03
Year 2 and Year 3	6,015.00	3,863.55	2,400.00	2,145.00	14,423.55	476.03

**Angelo State University
Tuition and Fees
Academic Year 2012-2013**

	State Mandated Tuition	Board Designated Tuition	Board Authorized Tuition	Mandatory Fees	Total Tuition & Fees	Financial Assistance Set Aside
Resident Undergrad (15 hrs)	\$750.00	\$1,675.05	\$0.00	\$1,249.50	\$3,674.55	\$197.01
Non-Resident Undergrad (15 hrs)	5,445.00	1,675.05	0.00	1,249.50	8,369.55	0.00
Resident Masters (12 hrs)	600.00	1,340.04	540.00	1,128.50	3,608.54	118.21
Non-Resident Masters (12 hrs)	4,356.00	1,340.04	540.00	1,128.50	7,364.54	0.00

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.

**Health Sciences Center
Tuition and Fees
Academic Year 2012-2013**

	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)	9,624.00	1,920.00	-	1,477.40	13,021.40	411.12
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)	14,837.00	4,625.00	-	1,776.90	21,238.90	883.56
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)	14,837.00	4,625.00	1,850.00	1,776.90	23,088.90	883.56
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
Nursing						
Undergraduate Level – Non-Resident						
Year 1 (34 SCH)	\$13,634.00	\$4,250.00	\$ -	\$2,033.40	\$19,917.40	\$811.92
Year 2 (33 SCH)	13,233.00	4,125.00				

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
2008-2012 Federally Sponsored Research Expenditures
(In Thousands)

Federal Sources	2008	2009	2010	2011	2012
USDA	\$3,135	\$4,606	\$5,964	\$3,653	\$2,826
Dept. of Commerce	-	-	-	90	246
Dept. of Health and Human Services	1,767	9,814	23,954	13,781	13,310
Dept. of Defense	5,971	8,634	11,341	6,783	3,682
Dept. of Education	2,550	2,372	-	639	1,247
Dept. of Energy	-	-	3,940	3,426	2,353
Dept. of the Interior	1	-	-	783	956
Dept. of Transportation - Research, Innovative Technology Admin Agency	3	11	-	-	-
Environmental Protection Agency	-	-	-	394	169
National Foundation for Arts/Humanities	-	-	-	288	-
National Institutes of Health	-	-	-	-	-
NASA	790	690	757	683	811
National Science Foundation	4,106	4,877	8,109	8,849	8,868
Small Business Admin	56	68	55	93	59
Office of Naval Research	-	2,926	2,893	2,977	2,569
Other Federal Agencies/Pass Thru	2,994	1,772	5,220	7,763	6,965
US Army Research Laboratory	-	-	-	42	1
Total Federal Sources	<u>\$23,381</u>	<u>\$37,779</u>	<u>\$64,243</u>	<u>\$52,255</u>	<u>\$46,074</u>

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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
2008	\$622,227	\$684,772	\$78,554	\$1,385,553
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

Note: 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 certain eligible 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.

The Long-Term Investment Fund. The LTIF is a unitized pooled investment fund created by the Board for the collective investment of certa