State of Florida
Division of Bond Finance

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Copies of the printed Official Statement may be obtained from:

Florida Division of Bond Finance
1801 Hermitage Boulevard
Suite 200
Tallahassee, Florida 32308

E-Mail: bond@sbafla.com
Phone: (850) 488-4782
Fax: (850) 413-1315

Refunding Issue Book-Entry Only

This Official Statement has been prepared by the Division of Bond Finance to provide information about the 2015A Bonds. Selected information is presented on this cover page for the convenience of the reader. ***To make an informed decision, a prospective investor should read this Official Statement in its entirety.*** Unless otherwise indicated, capitalized terms have the meanings given in Appendix A.

$29,105,000
STATE OF FLORIDA
Board of Governors
Florida International University Dormitory Revenue Refunding Bonds
Series 2015A

Dated: Date of Delivery **Due: July 1, as shown on the inside front cover**

Bond Ratings	A+ Fitch Ratings Aa3 Moody's Investors Service Standard & Poor's Ratings Services - No rating requested; See "Bond Ratings" herein for more information
Tax Status	In the opinion of Bond Counsel, interest on the 2015A Bonds will be excluded from gross income for federal income tax purposes and will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. However, interest on the 2015A Bonds will be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations. The 2015A Bonds and the income thereon are not subject to taxation under the laws of the State of Florida, except estate taxes and taxes under Chapter 220, Florida Statutes, as amended. See "TAX MATTERS" herein for a description of other tax consequences to holders of the 2015A Bonds.
Redemption	The 2015A Bonds maturing on and after July 1, 2026, are subject to optional redemption as provided herein.
Security	The 2015A Bonds will be secured by and payable from the Pledged Revenues. The Pledged Revenues consist of the revenues of the Housing System after deducting the Administrative Expenses, the Current Expenses, and the Rebate Amount, if any. **The 2015A Bonds are not secured by the full faith and credit of the State of Florida or the University.**
Lien Priority	The lien of the 2015A Bonds on the Pledged Revenues is a first lien on such revenues and will be on a parity with the Outstanding Bonds and any Additional Parity Bonds hereafter issued. The aggregate principal amount of Bonds Outstanding subsequent to the issuance of the 2015A Bonds is $103,875,000, excluding the Refunded Bonds.
Additional Bonds	Additional Parity Bonds payable on a parity with the 2015A Bonds and the Outstanding Bonds may be issued if the average Pledged Revenues for the two immediately preceding fiscal years, as adjusted, are at least 120% of the Maximum Annual Debt Service. This description of the requirements for the issuance of Additional Parity Bonds is only a summary of the complete requirements. See "SECURITY FOR THE 2015A BONDS - Additional Parity Bonds" herein for more complete information.
Purpose	Proceeds will be used to refund all of the outstanding State of Florida, Florida Education System, Florida International University Housing Facility Revenue Bonds, Series 2004A, and to pay costs of issuance.
Interest Payment Dates	January 1 and July 1, commencing January 1, 2016.
Record Dates	December 15 and June 15.
Form/Denomination	The 2015A Bonds will initially be registered in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York ("DTC"). Individual purchases will be made in book-entry form only through Direct Participants (defined herein) in denominations of $1,000 and integral multiples thereof. Purchasers of the 2015A Bonds will not receive physical delivery of the 2015A Bonds. See "DESCRIPTION OF THE 2015A BONDS" herein.
Closing/Settlement	It is anticipated that the 2015A Bonds will be available for delivery through the facilities of DTC in New York, New York on July 21, 2015.
Bond Registrar/ Paying Agent	U.S. Bank Trust National Association, New York, New York.
Bond Counsel	Bryant Miller Olive P.A., Tallahassee, Florida.
Issuer Contact	Division of Bond Finance, (850) 488-4782, bond@sbafla.com
Maturity Structure	The 2015A Bonds will mature on the dates and bear interest at the rates set forth on the inside front cover.

June 18, 2015

MATURITY STRUCTURE

Initial CUSIP©	Due Date	Principal Amount	Interest Rate	Price or Yield*	First Optional Redemption Date and Price
3 4 1 1 4 C B T 1	July 1, 2016	$2,810,000	5.00%	0.46%	-
3 4 1 1 4 C B U 8	July 1, 2017	995,000	5.00	0.86	-
3 4 1 1 4 C B V 6	July 1, 2018	1,050,000	5.00	1.25	-
3 4 1 1 4 C B W 4	July 1, 2019	1,100,000	5.00	1.50	-
3 4 1 1 4 C B X 2	July 1, 2020	1,155,000	5.00	1.75	-
3 4 1 1 4 C B Y 0	July 1, 2021	1,215,000	4.00	2.01	-
3 4 1 1 4 C B Z 7	July 1, 2022	1,265,000	5.00	2.20	-
3 4 1 1 4 C C A 1	July 1, 2023	1,320,000	3.00	2.35	-
3 4 1 1 4 C C B 9	July 1, 2024	1,365,000	5.00	2.52	-
3 4 1 1 4 C C C 7	July 1, 2025	1,435,000	5.00	2.65	-
3 4 1 1 4 C C D 5	July 1, 2026	1,505,000	3.00	@100	July 1, 2025 @ 100%
3 4 1 1 4 C C E 3	July 1, 2027	1,550,000	3.00	3.14	July 1, 2025 @ 100
3 4 1 1 4 C C F 0	July 1, 2028	1,595,000	3.125	3.27	July 1, 2025 @ 100
3 4 1 1 4 C C G 8	July 1, 2029	1,645,000	3.25	3.38	July 1, 2025 @ 100
3 4 1 1 4 C C H 6	July 1, 2030	1,700,000	3.375	3.47	July 1, 2025 @ 100
3 4 1 1 4 C C J 2	July 1, 2031	1,755,000	3.375	3.57	July 1, 2025 @ 100
3 4 1 1 4 C C K 9	July 1, 2032	1,815,000	3.50	3.64	July 1, 2025 @ 100
3 4 1 1 4 C C L 7	July 1, 2033	1,880,000	3.625	3.71	July 1, 2025 @ 100
3 4 1 1 4 C C M 5	July 1, 2034	1,950,000	3.625	3.77	July 1, 2025 @ 100

* Price and yield information provided by the underwriter.

The State of Florida has not authorized any dealer, broker, salesman or other person to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied on. Certain information herein has been obtained from sources other than records of the State of Florida which are believed to be reliable but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the State of Florida. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the State of Florida since the date hereof. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor will there be any sale of the 2015A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

STATE OFFICIALS

BOARD OF GOVERNORS

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VICE CHAIR
THOMAS G. KUNTZ

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J. BEN WATKINS III
Director
Division of Bond Finance

ASHBEL C. WILLIAMS
Executive Director and CIO
State Board of Administration of Florida

BOND COUNSEL
Bryant Miller Olive P.A.
Tallahassee, Florida

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OFFICIAL STATEMENT
Relating to
$29,105,000
STATE OF FLORIDA
Board of Governors
Florida International University Dormitory Revenue Refunding Bonds, Series 2015A

For definitions of capitalized terms not defined in the text hereof, see Appendix A.

INTRODUCTION

This Official Statement sets forth information relating to the sale and issuance of $29,105,000 State of Florida, Board of Governors, Florida International University Dormitory Revenue Refunding Bonds, Series 2015A, dated the date of delivery (the "2015A Bonds"), by the Division of Bond Finance of the State Board of Administration of Florida (the "Division of Bond Finance").

The proceeds of the 2015A Bonds will be used to refund all of the outstanding State of Florida, Florida Education System, Florida International University Housing Facility Revenue Bonds, Series 2004A, and to pay costs of issuance. See "THE REFUNDING PROGRAM" herein for more detailed information.

The 2015A Bonds will be secured by and payable from the Pledged Revenues. The Pledged Revenues consist of revenues of the Housing System, after payment of the Administrative Expenses, the Current Expenses, and the Rebate Amount, if any (the "Pledged Revenues"). See "SECURITY FOR THE 2015A BONDS" herein for more detailed information.

The lien of the 2015A Bonds on the Pledged Revenues is a first lien on such revenues and will be on a parity with the Outstanding Bonds and with any Additional Parity Bonds hereafter issued. The aggregate principal amount of Bonds Outstanding subsequent to the issuance of the 2015A Bonds is $103,875,000, excluding the Refunded Bonds. See "SECURITY FOR THE 2015A BONDS" herein for more detailed information.

The 2015A Bonds are not a general obligation or indebtedness of the State of Florida or the University, and the full faith and credit of the State of Florida is not pledged to payment of the 2015A Bonds.

Requests for additional information may be made to:

Division of Bond Finance
Phone: (850) 488-4782
Fax: (850) 413-1315
E-mail: bond@sbafla.com
Mail: P. O. Box 13300
Tallahassee, Florida 32317-3300

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Any statements made in this Official Statement which involve opinions or estimates, whether or not expressly stated, are set forth as such and not as representations of fact. No representation is made that any of the opinions or estimates will be realized. To make an informed decision, a full review should be made of the entire Official Statement. The descriptions of the 2015A Bonds and the documents authorizing and securing the same do not purport to be comprehensive or definitive. All references to and descriptions of such documents are qualified by reference to the actual documents. Copies of such documents may be obtained from the Division of Bond Finance.

End of Introduction

AUTHORITY FOR THE ISSUANCE OF THE 2015A BONDS

General Legal Authority

The 2015A Bonds are being issued by the Division of Bond Finance on behalf of the Board of Governors (the "Board"), pursuant to Article VII, Section 11(d) and Article IX, Section 7(d) of the Florida Constitution, the State Bond Act, Section 1010.62, Florida Statutes, and other applicable provisions of law. Article VII, Section 11(d), of the Florida Constitution provides that revenue bonds payable solely from funds derived directly from sources other than State tax revenues may be issued by the State of Florida or its agencies, without a vote of the electors, to finance or refinance capital projects. Section 215.59(2), Florida Statutes, authorizes the issuance of revenue bonds by the Division of Bond Finance pursuant to Article VII, Section 11(d), of the Florida Constitution. The Legislature has authorized the Division of Bond Finance to issue refunding bonds on behalf of any State agency in Section 215.79, Florida Statutes.

Division of Bond Finance

The Division of Bond Finance, a public body corporate created pursuant to the State Bond Act, is authorized to issue bonds on behalf of the State or its agencies. The Governing Board of the Division of Bond Finance (the "Governing Board") is composed of the Governor, as Chairman, and the Cabinet of the State of Florida, consisting of the Attorney General, as Secretary, the Chief Financial Officer, as Treasurer, and the Commissioner of Agriculture. The Director of the Division of Bond Finance may serve as an assistant secretary of the Governing Board.

State Board of Administration of Florida

The State Board of Administration of Florida (the "Board of Administration") was created under Article IV, Section 4 of the Florida Constitution, as revised in 1968 and subsequently amended, and succeeds to all the power, control and authority of the State Board of Administration established pursuant to Article IX, Section 16 of the Constitution of the State of Florida of 1885. It will continue as a body at least for the life of Article XII, Section 9 (c) of the Florida Constitution. The Board of Administration is composed of the Governor, as Chairman, the Attorney General and the Chief Financial Officer. Under the State Bond Act, the Board of Administration determines the fiscal sufficiency of all bonds proposed to be issued by the State of Florida or its agencies. The Board of Administration also acts as the fiscal agent of the Board of Governors in administering the Sinking Fund, the Rebate Fund, and the Reserve Account.

Board of Governors

The Board of Governors is established by Article IX, Section 7 of the Florida Constitution. It is authorized to operate, regulate, control and manage the University System. The responsibilities of the Board of Governors include defining the mission of each university, ensuring the coordination and operation of the University System and avoiding wasteful duplication of facilities or programs. Article IX, Section 7 provides that the Board of Governors shall establish the powers and duties of the university boards of trustees. See "University Board of Trustees" below. The Board of Governors' management of the University System is subject to the power of the legislature to appropriate funds.

The Board of Governors consists of seventeen members, fourteen of whom are appointed by the Governor to staggered seven-year terms as provided by law, subject to confirmation by the Florida Senate. The Commissioner of Education, the President of the Advisory Council of Faculty Senates, and the Chair of the Florida Student Association are *ex officio* members of the Board of Governors.

The following individuals have been appointed by the Governor to the Board of Governors:

Board Members*	**Term Expires**
Morteza "Mori" Hosseini, chair - businessman (Daytona Beach, FL)	January 6, 2017
Thomas G. Kuntz, vice chair - businessman (Winter Park, FL)	January 6, 2019
Richard A. Beard III - businessman (Tampa, FL)	January 6, 2017
Dr. Matthew Carter - attorney (Tallahassee, FL)	January 6, 2019
Dean Colson - attorney (Coral Gables, FL)	January 6, 2017
Daniel Doyle, Jr. - businessman (Tampa Bay, FL)	January 6, 2017
Patricia Frost - educator (Miami Beach, FL)	January 6, 2017
H. Wayne Huizenga, Jr. - businessman (Delray Beach, FL)	January 6, 2020
Ned C. Lautenbach - businessman (Naples, FL)	January 6, 2019
Alan Levine - businessman (Naples, FL)	January 6, 2020
Wendy Link - attorney (Palm Beach Gardens, FL)	January 6, 2020
Edward Morton - businessman (Naples, FL)	January 6, 2020
Norman D. Tripp - attorney (Fort Lauderdale, FL)	January 6, 2020

The following individuals are *ex officio* members of the Board of Governors:

Pam Stewart - Commissioner of Education (Tallahassee, FL)
Dr. Katherine M. Robinson - President, Advisory Council of Faculty Senates (Jacksonville, FL)
Tonnette Graham - Chairman, Florida Student Association (Tallahassee, FL)

*There is currently a vacancy on the Board.

University Board of Trustees

Article IX, Section 7 of the State Constitution provides for an appointed board of trustees at each State University. Each board of trustees consists of thirteen members and administers the University. Six members of each board are appointed by the Governor and five members are appointed by the Board of Governors. The appointed members must be confirmed by the Senate. The chair of the faculty senate and the president of the student body are also members of each board. See Appendix G, "Florida International University" for a list of the trustees of the University.

Administrative Approval

By a resolution adopted on June 23, 2011, the Board of Governors authorized and requested the Division of Bond Finance to proceed with the actions required for the issuance of the 2015A Bonds.

By resolution adopted on June 9, 1998, as amended by resolutions adopted on September 23, 1998, on August 10, 2004 (the "Second Supplemental Resolution"), on September 20, 2011 (the "Fourth Supplemental Resolution") and on March 20, 2012 (the "Sixth Supplemental Resolution") (collectively, the "Original Resolution") and as supplemented by a resolution adopted on March 10, 2015 (the "Seventh Supplemental Resolution"), the Governor and Cabinet of the State of Florida, as the Governing Board of the Division of Bond Finance will authorize the issuance of the 2015A Bonds. The Original Resolution, the Second Supplemental Resolution, the Fourth Supplemental Resolution, the Sixth Supplemental Resolution, and the Seventh Supplemental Resolution are reproduced as Appendices B, C, D, E and F, respectively, to this Official Statement. The Original Resolution, as amended and supplemented through the Seventh Supplemental Resolution, is referred to as the "Resolution."

The Board of Administration approved the fiscal sufficiency of the 2015A Bonds, as required by the State Bond Act, on March 10, 2015.

DESCRIPTION OF THE 2015A BONDS

The 2015A Bonds are being issued as fully registered bonds in the denomination of $1,000 or integral multiples thereof. The 2015A Bonds are payable from the Pledged Revenues as described herein. The 2015A Bonds will be dated the date of delivery thereof and will mature as set forth on the inside front cover. Interest is payable semiannually on July 1 and January 1 of each year, commencing January 1, 2016, until maturity or redemption.

The 2015A Bonds will initially be issued exclusively in "book-entry" form. Ownership of one 2015A Bond for each maturity (as set forth on the inside front cover), each in the aggregate principal amount of such maturity, will be initially registered in the name of "Cede & Co." as registered owner and nominee for the Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the 2015A Bonds. Individual purchases of the 2015A Bonds will be made in book-entry form only, and the purchasers will not receive physical delivery of the 2015A Bonds or any certificate representing their beneficial ownership interest in the 2015A Bonds. See Appendix L, "Provisions for Book-Entry Only System or Registered Bonds" for a description of DTC, certain responsibilities of DTC, the Board and the Bond Registrar/Paying Agent, and the provisions for registration and registration of transfer of the 2015A Bonds if the book-entry only system of registration is discontinued.

REDEMPTION PROVISIONS

Optional Redemption

The 2015A Bonds maturing in the years 2016 through 2025, both inclusive, are not redeemable prior to their stated dates of maturity. The 2015A Bonds maturing in 2026 and thereafter are redeemable prior to their stated dates of maturity, without premium, at the option of the Division of Bond Finance, (i) in part, by maturities to be selected by the Division of Bond Finance, and by lot within a maturity if less than an entire maturity is to be redeemed, or (ii) as a whole, on July 1, 2025, or on any date thereafter, at the principal amount of the 2015A Bonds so redeemed, together with interest accrued to the date of redemption.

Notice of Redemption

Notices of redemption of 2015A Bonds or portions thereof will be mailed by first class mail at least 30 days prior to the date of redemption to Registered Owners of record as of 45 days prior to the date of redemption. Such notices of redemption will specify the serial numbers and the principal amount of the 2015A Bonds to be redeemed, if less than all, the date fixed for redemption, and the redemption price. In lieu of mailing, the Bond Registrar/Paying Agent may elect to provide such notice of redemption by electronic means to any Registered Owner who has consented to such method of receiving notice.

Failure to give, or any defect in, any required notice of redemption as to any particular 2015A Bonds will not affect the validity of the call for redemption of any 2015A Bonds in respect of which no such failure has occurred. Any notice mailed as provided in the Resolution will be conclusively presumed to have been given, whether or not the Registered Owner receives the notice.

Interest on the 2015A Bonds called for redemption will cease to accrue upon the redemption date.

THE REFUNDING PROGRAM

Proceeds of the 2015A Bonds, after payment of costs of issuance of the 2015A Bonds, will be used to refund the outstanding State of Florida, Florida Education System, Florida International University Housing Facility Revenue Bonds, Series 2004A, maturing in the years 2016 through 2034, inclusive, in the outstanding principal amount of $30,055,000 (the "Refunded Bonds"). This refunding is being effectuated to achieve debt service savings.

Simultaneously with the delivery of the 2015A Bonds, the Division of Bond Finance will cause to be deposited a portion of the proceeds of the 2015A Bonds in an irrevocable escrow account (the "Escrow Deposit Trust Fund"), under an agreement (the "Escrow Deposit Agreement") entered into between the Division of Bond Finance and the Board of Administration (the "Escrow Agent"). The Escrow Agent will hold those moneys uninvested. The escrow will be funded in an amount which will be sufficient to meet the redemption requirements of the Refunded Bonds.

The amount of moneys initially deposited, together with interest thereon, is expected to be sufficient to make all payments of principal, interest and redemption premiums with respect to the Refunded Bonds.

It is anticipated that the Refunded Bonds will be called for redemption (by separate redemption notice) on July 22, 2015 at a redemption price equal to the principal amount thereof with interest due thereon through the redemption date.

Sources and Uses of Funds

Sources of Funds:	
Par Amount of 2015A Bonds	$29,105,000
Plus: Net Original Issue Premium	1,402,521
Total Sources	$30,507,521
Uses of Funds:	
Deposit to Escrow	$30,132,945
Cost of Issuance	68,812
Underwriter's Discount	305,764
Total Uses	$30,507,521

SECURITY FOR THE 2015A BONDS

Pledge of Housing System Revenues

The 2015A Bonds and the interest thereon constitute obligations of the Board on behalf of the University, and are payable solely from and secured as to the payment of principal and interest by, a first lien on the Pledged Revenues on a parity with the Outstanding Bonds which will be Outstanding in the aggregate principal amount of $103,875,000, excluding the Refunded Bonds, subsequent to the issuance of the 2015A Bonds. Pledged Revenues are derived from the room rental income and charges for services or space provided by the Housing System. The Housing System consists of the student living facilities of the University, as set forth in the Resolution, and such additional housing facilities as may be added to the Housing System, all as more fully described in "THE HOUSING SYSTEM" herein. The Pledged Revenues consist of the revenues of the Housing System, as defined in the Resolution, at the University after deducting the Current Expenses, the Administrative Expenses and the Rebate Amount, if any. Pledged Revenues resulting from the operation of the Housing System and the related debt service coverage ratios are set forth in "THE HOUSING SYSTEM - Historical Pledged Revenues and Debt Service Coverage", below.

The 2015A Bonds are "revenue bonds" within the meaning of Article VII, Section 11(d), of the Florida Constitution, and are payable solely from funds derived directly from sources other than State tax revenues. **The 2015A Bonds do not constitute a general obligation or indebtedness of the State of Florida or any of its agencies or political subdivisions and shall not be a debt of the State of Florida or of any agency or political subdivision thereof, the Board of Governors or the University, and the full faith and credit of the State is not pledged to the payment of the principal of, premium, if any, or interest on the 2015A Bonds. The issuance of the 2015A Bonds does not, directly or indirectly or contingently, obligate the State of Florida to use State funds, other than the Pledged Revenues, to levy or to pledge any form of taxation whatsoever or to make any appropriation for payment of the principal of, premium, if any, or interest on the 2015A Bonds.**

Reserve Account

There will not be a Reserve subaccount funded for the 2015A Bonds. However, the Original Resolution creates the Reserve Account within the Sinking Fund, which is to be used for payments of debt service when the amounts in the Sinking Fund are insufficient therefor. Separate subaccounts in the Reserve Account may be established for one or more Series of Bonds. Each subaccount will only be available to cure deficiencies in the accounts in the Sinking Fund with respect to the Series of Bonds for which it is established. All subaccounts that currently comprise the Reserve Account are funded by Reserve Account Credit Facilities as permitted by the Resolution.

The Reserve Account is currently funded by a debt service reserve account surety bond from MBIA Insurance Corporation ("MBIA") in the amount of $1,735,525, which will terminate on July 1, 2028, a reserve account surety bond from MBIA in the amount of $1,098,453.75, which will terminate on July 1, 2025, and a reserve account surety bond from MBIA in the amount of $4,297,350, which will terminate on July1, 2034. Such subaccount may also serve as the subaccount for future Additional Bonds.

The Reserve Requirement for the 2015A Bonds has been determined to be zero. No deposit will be made to the Reserve Account from the proceeds of the 2015A Bonds. However, the 2015A Bonds will be secured by the $7,131,329 surety bonds from MBIA under the terms of such bonds until such time as the surety bonds terminate or are otherwise cancelled.

See "MISCELLANEOUS - Bond Ratings" below for a discussion of potential and actual rating agency actions with respect to various insurance companies, including MBIA, currently providing reserve account surety bonds for various series of Outstanding Bonds.

In the event funds on deposit in the Sinking Fund are not sufficient to pay the principal and/or interest next coming due on the Bonds secured by a subaccount in the Reserve Account, then on or before the Interest Payment Date and the Principal Payment Date such amounts as may be necessary to pay such maturing principal and/or interest on the Bonds will be transferred to the Sinking Fund from the Reserve Account. Each debt service reserve account surety bond will be drawn upon in a proportion equal to its relative share of the amounts in the Reserve Account. Any withdrawals from the Reserve Account, including disbursements made under a Reserve Account Credit Facility, will be subsequently restored (or, in the case of a Reserve Account Credit Facility, the provider thereof will be reimbursed) from the first revenues available after all required Current Expenses, Administrative Expenses and current payments for the Sinking Fund, including any deficiencies for prior payments, have been made in full.

Flow of Funds

Collection of Pledged Revenues. Pledged Revenues are deposited into a trust fund (the "Revenue Fund") in the State Treasury to be administered in accordance with the Resolution and applicable laws. After providing for the payments required below, the University may use the Pledged Revenues for optional redemption or purchase of Bonds or any lawful purpose of the University.

Application of Revenues. All revenues on deposit in the Revenue Fund will be applied only in the following manner and order of priority:

(A) Payment of Current Expenses of the Housing System.

(B) Transfer to the Board of Administration of a sufficient amount of money no later than thirty days before an Interest Payment Date and/or a Principal Payment Date to be used as follows:

(1) for payment of Administrative Expenses;

(2) for deposit into the Sinking Fund an amount sufficient to pay the next installments of principal and interest to become due during the then current fiscal year, including Amortization Installments for any Term Bonds;

(3) for maintenance and establishment, if necessary, together with other moneys available for such purposes, of the Reserve Account in an amount equal to the Reserve Requirement, except to the extent a Reserve Account Credit Facility has been provided pursuant to the Resolution; and

(4) for deposit to the Rebate Fund, an amount of money sufficient to pay the Rebate Amount.

(C) Deposit into the Housing System Maintenance and Equipment Reserve Fund the amounts required by the Resolution to be deposited, as approved in the annual budget of the University.

(D) The balance not needed for (A), (B), and (C) above may be applied for optional redemption or purchase of Bonds or any lawful University purposes.

Any withdrawals from the Reserve Account, including disbursements made under a Reserve Account Credit Facility, will be subsequently restored (or, in the case of a Reserve Account Credit Facility, the provider thereof will be reimbursed) from the first revenues available after all required Current Expenses, Administrative Expenses and current payments for the Sinking Fund, including any deficiencies for prior payments, have been made in full.

Any unused portion of the Reserve Account may be used by the Board to reduce the final installments of the Annual Debt Service Requirement becoming due. If the funds on deposit in the Reserve Account exceed the Reserve Requirement with respect to the Series of Bonds secured thereby, such excess shall be used for the purposes and in the priority described above.

Covenants of the Board

The Board has additionally covenanted in the Resolution as follows:

(A) That it will punctually apply the Pledged Revenues in the manner and at the times provided in the Resolution and that it will duly and punctually perform and carry out all the covenants of the Board and the duties imposed upon the Board by the Resolution.

(B) That in preparing, approving and adopting any budget controlling or providing for the expenditures of its funds for each budget period it will allocate, allot and approve from the Housing System Revenues and other available funds the amounts sufficient to apply the Pledged Revenues as provided in the Resolution.

(C) That it will from time to time recommend, fix and include in its budgets such revisions in the amounts of rentals and other fees to be levied upon and collected from each person using the facilities of the Housing System which will produce sums sufficient to pay, when due, the requirements set forth in the Resolution.

(D) That it will continue to collect the rentals charged all individuals served by the Housing System.

Additional Bonds

The Resolution provides that Additional Bonds may be issued, but only upon the following terms, restrictions and conditions: (A) the proceeds from such Additional Bonds will be used to acquire and construct capital additions or improvements to the Housing System or to refund Outstanding Bonds; (B) the Board must request the issuance of the Additional Bonds; (C) the Board of Administration must approve the fiscal sufficiency of such Additional Bonds; (D) certificates will be executed by the Board and/or the University setting forth (1) the average amount of Pledged Revenues from the two fiscal years immediately preceding the issuance of the proposed Additional Bonds, and (2) the Maximum Annual Debt Service on the Bonds then Outstanding and the Additional Parity Bonds then proposed to be issued; (E) the Board and the University must be current in all deposits into the various funds and accounts and all payments theretofore required to have been deposited or made by it under the provisions of the Resolution and the Board and the University must be currently in compliance with the covenants and provisions of the Resolution and any supplemental resolution thereafter adopted for the issuance of Additional Bonds, unless upon the issuance of such Additional Bonds the Board will be in compliance with all such covenants and provisions; and (F) the average annual amount of Pledged Revenues for the two immediately preceding fiscal years, as adjusted as provided for in the Resolution, will be at least equal to 120% of the Maximum Annual Debt Service on the Bonds then Outstanding, and the Additional Parity Bonds then proposed to be issued.

The Bonds may be refunded in whole or in part as long as the Additional Bond requirements are complied with, except that refunding bonds with a lower Annual Debt Service Requirement than the Bonds they are refunding do not have to comply with the coverage provisions of the preceding paragraph.

The Original Resolution provides that for purposes of the Additional Bonds test, Pledged Revenues may be adjusted to reflect rate increases, additions to the housing facilities or the acquisition of additional housing facilities, or, in the event Pledged Revenues from housing facilities being constructed were collected for less than two fiscal years, then imputed rental rates for the two fiscal years immediately preceding issuance of such Additional Bonds may be considered.

All of the above terms, conditions and restrictions being complied with, the 2015A Bonds will be issued on a parity with the Outstanding Bonds.

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THE HOUSING SYSTEM
(Source: Florida International University)

Introduction

Florida International University (the "University") is a growing research institution located in a major urban area which serves the diverse academic needs of students through the offering of more than 180 baccalaureate, master's and doctoral degree programs. The University operates two primary campuses in Miami-Dade County, Florida – the main Modesto Maidique Campus ("MMC") located approximately 10 miles west of downtown Miami and the Biscayne Bay Campus ("BBC") located on Biscayne Bay in North Miami. Additionally, the University operates two satellite campuses: the Center for Engineering and Applied Science located near MMC and FIU at I-75 located in Broward County. The total student body, as of Fall 2014, totals about 54,000, of whom, approximately 84% are undergraduates and approximately 32,000 are full-time students.

The University has limited on-campus housing, with a current capacity of up to 3,184 students living on- site as of Fall 2014. The Department of Housing and Residential Life (the "Housing Office"), within the Division of Student Affairs, operates the University's housing auxiliary and residential programs. The Housing Office has responsibility for operational oversight, facilities management and on-site student affairs management at each residential facility. The Housing Office supports the mission of the University by providing a living environment which fosters the educational pursuits of a diverse student population. The facilities and services are designed to provide a supportive and safe environment, accommodating the needs of students.

Staffing

The Department of Housing and Residential Life employs more than 64 full-time and 186 part-time employees during the year and is comprised of three areas: Housing Administrative Operations, Housing Facilities and Residential Life. The Director of Housing is responsible for the overall operations of the Housing System and serves as the primary department head for Housing Administrative Operations and Housing Facilities. Additionally, the Director of Housing establishes policies and procedures while providing direction, leadership, and strategic planning for the department. There is one Associate Director that oversees and monitors administrative operations including budget, finance, purchasing, contracts and human resources activities.

The Residential Life branch of the department has a Director of Residential Life. Each residential hall has on-site staff responsible for providing support services to the residents. Each residential hall is assigned a Residence Life Coordinator, an Assistant Residence Life Coordinator, and Resident Assistants. The Residence Life Coordinator is a full-time professional who resides in the facility and oversees the educational and operational functions of the residence hall. The Assistant Residence Life Coordinator is a graduate student and the Resident Assistants are full-time undergraduate students selected and trained to act as peer advisors to residents in the hall to which they are assigned.

Housing Facilities

The overall design capacity of the on-campus housing facilities, comprising the Housing System, is approximately 3,311 beds.

In 1984, the University opened its first residence hall, Bay Vista Housing, located on the BBC in northern Miami-Dade County. In Fall 2014, the University divested its Bay Vista Housing facility to Royal Caribbean ("RCL") under a 40-year lease agreement for RCL to accommodate its employees while they complete a training program. The facility, which was removed from the Housing System, no longer houses University students, and the Housing System has no responsibility for maintenance or operations of the facility.

In 1986, the University opened the University Park Apartments on MMC with an original design capacity of 732 beds and a current design capacity of 593 beds. The complex is comprised of ten buildings with various types of apartment- style accommodations including studios, and one-, two- and four-bedroom units (most of which are double-occupancy bedrooms). All units are fully furnished and equipped with complete kitchens. Outdoor recreational facilities include a gazebo, a sand volleyball court, a basketball court and a central complex building. This facility underwent a two-year, $2.5 million renovation project in 2001 to replace defective plumbing fixtures and refurbish kitchens and bathrooms.

In 1996, Panther Hall opened with a design capacity of 410 beds in two-bedroom, double-occupancy suites with private baths. It was designed to provide a traditional undergraduate living experience and to serve the University's conference housing needs during the summer months. Panther Hall offers special living options to students participating in the FYRST (First Year Residents Succeeding Together) and Honors programs.

University Park Towers, with a design capacity for 495 beds, opened in Fall 2000. The University Park Towers consists of two ten-story towers with an attached four-story building. The living units are mostly four-bedroom (each single-occupancy), two-bath apartment units. The towers also have a limited number private studio apartments and two-bedroom, single-occupancy apartments. The complex includes additional parking and support services areas for administrative offices, classroom space, maintenance services, and professional staff housing.

Everglades Hall opened at the MMC in Fall 2002 and has a current design capacity of 388 beds. Everglades Hall consists of apartment style accommodations that include three-bedroom (single occupancy) one-bath apartment units with kitchens. The complex adjoins University Park Towers.

Lakeview Hall opened at the MMC in Fall 2006 and has a current design capacity of 825 beds. Lakeview Hall comprises two buildings, Lakeview North and Lakeview South, with two-bedroom (double occupancy) and four-bedroom (single occupancy) units. Lakeview South is a first- year residence hall for the FYRST program. Lakeview North provides housing for students entering their sophomore year or above.

Parkview Hall opened at the MMC in Fall 2013 and has a current design capacity of 600 Beds. Parkview Hall consists of four-bedroom (single occupancy) and studio units.

Outlined below is a description of the residence halls and apartments that currently comprise the Housing System. All facilities are equipped with unlimited computer access via an Ethernet connection, local telephone service and cable TV service.

Hall Name	Location/Campus	Year Placed in Service	Square Footage	Design Capacity[1]
University Park Apartments	Modesto Maidique Campus	1986	136,679	593[2]
Panther Hall	Modesto Maidique Campus	1996	111,266	410
University Park Towers	Modesto Maidique Campus	2000	218,157	495
Everglades Hall	Modesto Maidique Campus	2002	147,475	388
Lakeview Hall	Modesto Maidique Campus	2006	252,324	825
Parkview Hall	Modesto Maidique Campus	2013	411,766	600
Total			1,012,254	3,311

[1] Includes non-revenue generating bed spaces; actual capacity during the year may vary due to changes in original room configurations.

[2] The original design capacity was 732 beds.

Other University Housing

The University issued an Invitation to Negotiate/Competitive Bid Solicitation on October 4, 2013, for development of a residential facility on the Biscayne Bay Campus. The Intent to Award was made on February 26, 2014, to Servitas LLC from a pool of eight proposers. Servitas' responsibilities include planning, designing, financing, owning and operating the facility. As proposed, the facility would contain 410 beds and would open in Fall 2016. The developer issued bonds through the Miami-Dade Industrial Development Authority to finance construction costs. Bondholders would receive a pledge of a senior lien on only the net revenues generated by the facility. The University's Housing System would have no legal obligation to pay debt service or to operate or maintain the facility. On February 19, 2015, the Board of Governor's approved the University to enter into a public-private partnership for development of the housing facility.

Capital Improvement Plan

The Director of Housing, in conjunction with the University Facilities Planning Department, develops and implements capital improvement projects in a five-year cycle.

No major renovation and maintenance project needs have been identified for the University's housing facilities. The Housing System employs dedicated personnel to perform general maintenance work. The Housing System's Fiscal Year 2015 budget included $2.5 million for general maintenance expenditures including salaries of those employed to perform such work. Additionally, $300,000 is budgeted annually for ongoing repairs and maintenance.

Insurance on Facilities

All University facilities, and the contents thereof, are insured under the Florida Insurance Trust Fund as required by Chapter 284, Florida Statutes.

Rental value insurance is also provided covering loss of revenue from any facility due to catastrophic events. Both the Director of Housing and the Director of Risk Management review all insurance policies on an annual basis.

Demand for On-Campus Housing

The University has limited on-campus housing for a total student enrollment of 54,000 in Fall 2014. With the addition of the Law School, Bowl Championship Subdivision Football, and the Medical School, the University anticipates ongoing growth in demand for on-campus housing services. The University's goal is to maximize receipt of housing applications without having to turn a large number away due to over subscriptions. To assist with this goal, the Housing System hired an Associate Director of Occupancy Management and Marketing in Fiscal Year 2014-15, charged with reviewing historical application trends and enrollment projections to effectively match applications and bed inventory. In Fall 2014, the Housing System opened with few vacancies. In Fiscal Year 2015-16, the University plans to implement an online housing application process which can be activated or de-activated based on capacity.

Occupancy Statistics

The chart below indicates the occupancy rates as compared to the capacity of the Housing System for the past ten years. The occupancy statistics are based on students residing in University housing as of the fourth week of the Fall semester. Students may only be released from their housing contracts if they withdraw from the University, with partial refunds being made only through the seventh week of the semester. Occupancy statistics are therefore not subject to significant change after that time.

Fall Semester Occupancy Statistics

Year	Total Housing Capacity[1]	Total Occupancy	Occupancy as % of Capacity	MMC	BBC	Total Enrollment	Total Full-Time Students	% of Full-Time Students Residing on Campus
2005	2,166	2,043	94%			37,424	21,973	9%
2006[2]	2,979	2,748	92%	92%	99%	38,537	23,142	12%
2007	2,974	2,713	91%	93%	76%	38,614	22,990	12%
2008	2,910	2,760	95%	97%	79%	39,146	23,284	12%
2009	2,904	2,662	92%	94%	68%	40,455	24,073	11%
2010	2,828	2,746	97%	99%	81%	44,010	26,439	10%
2011	2,851	2,686	94%	97%	69%	47,966	28,778	9%
2012	2,858	2,780	97%	99%	82%	50,394	30,094	9%
2013[3]	3,456	3,380	98%	99%	85%	52,980	32,063	11%
2014[4]	3,184	3,120	98%	98%	N/A	54,099	31,947	10%

[1] Total Housing Capacity reflects the University's practice of honoring students' requests for single-occupancy bedrooms in units which could otherwise serve as double-occupancy housing, and therefore may differ from design capacity. See "Housing Facilities" above.

[2] Lakeview Hall was added to the Housing System, increasing bed spaces by approximately 825.

[3] Parkview Hall was added to the Housing System, increasing bed spaces by approximately 600.

[4] In Fall 2014, the Bay Vista Housing facility was removed from the Housing System and leased to Royal Carribean under a 40-year agreement.

Payment and Collection

The University requires students to either pay the semester housing fee in full, or obtain an approved fee deferral request prior to occupancy. Housing fee deferral requests are approved upon receipt of notice of financial aid award by the University Financial Aid Office. More than half of the students residing in University housing select the financial aid method of payment, with the rest either paying in full or through the Florida Prepaid College Program. The University has implemented a net-check system to facilitate the collection of housing fees from students receiving financial aid awards. The net-check system automatically deducts the full amount owed by the student from his or her financial aid award prior to disbursement of financial aid. Students who receive insufficient financial aid are required to pay the difference in advance of occupancy. Under unique circumstances, the Assistant Director of Housing or designee may provide a student with a payment plan.

University housing agreements are issued for the entire academic year (fall and spring semesters). Separate housing agreements are issued for the summer semester. Release from the housing agreement is limited to circumstances which involve a student's withdrawal from the University. Students withdrawing from the University may receive a partial refund of their housing fees based on the specific period of time the student resided in a University housing facility. No refunds are given after the seventh week of the semester. The housing agreement clearly describes each student's obligation to adhere to all University and housing policies.

Accounts receivable are held in the housing accounting office until a week before the close of classes for the semester. If accounts are not paid in full by that time, they are transferred to the University-wide accounts receivable and a hold is placed on the students' records. A hold prevents a student from receiving a transcript or diploma until the account is paid. Students with unpaid balances are also precluded from registering for classes.

The housing fee collection rates for the most recent semesters for which information is available are set forth in the following table.

5 Year Historical Average	Collection Rate %*
Fall 2009-2014	99.16%
Spring 2010-2014	99.31%

* The collection rates are based on the outstanding balances at the end of each semester.

Housing System Rental Rates

On-campus housing rental rates at the University are reviewed on an annual basis. The Director of Housing meets with a housing advisory committee early in the spring semester to make a recommendation for any rental rate increase for the following academic year. If an increase is recommended, student government leaders, resident assistants, and all residential students are informed through meetings and written communication. In compliance with standard practice within the State University System, the Director of Housing submits the recommendation as a request through the University President's Office to the Board of Trustees for approval, along with a financial plan and information on the financial status of the Housing System.

The following table shows historical and projected rental rates based on the University's typical housing accommodations. While a limited number of other unit types may be offered, they are not included in revenue estimates. Rental rate increases are generally implemented on an annual basis. However, the projected rental rates are for illustration only, and management of the University makes no representation as to whether any rental rate increases will occur in the future. Rental rate increases are based on annual market surveys and needs analyses.

Panther Hall and Lakeview Hall rental rates include a mandatory meal plan totaling $1,869 for Fall 2014. The revenue generated from meal plans is collected by the Housing System and passed through to the outside contractor. Housing meal plans are expected to generate $4.1 million in Fiscal Year 2014-15.

On-Campus Rental Rates[1]
Schedule of Historical and Projected Semester Rental Rates
(Per Student)

	Historical					Projected[2]				
Description	**2010-11**	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**	**2016-17**	**2017-18**	**2018-19**	**2019-20**
Panther Hall[3]										
Two Bedroom Double-Occupancy	$4,233	$4,303	$4,323	$4,519	$4,519	$4,569	$4,650	$4,733	$4,819	$4,908
Two Bedroom Single-Occupancy	6,767	6,767	-	-	-	-	-	-	-	-
Bay Vista Housing[4]										
One Bedroom Single-Occupancy	$4,282	$4,282	$4,282	$4,282	N/A	N/A	N/A	N/A	N/A	N/A
Two Bedroom Single-Occupancy	3,364	3,364	3,364	3,364	N/A	N/A	N/A	N/A	N/A	N/A
Efficiency Single	3,530	3,530	3,530	3,530	N/A	N/A	N/A	N/A	N/A	N/A
Studio	3,284	3,284	3,284	3,284	N/A	N/A	N/A	N/A	N/A	N/A
One Bedroom-Single Occupancy Shared Bath	3,804	3,804	3,804	3,804	N/A	N/A	N/A	N/A	N/A	N/A
University Park Apartments										
Two Bedroom Double-Occupancy (Quad)	$2,458	$2,458	$2,458	$2,550	$2,550	$2,550	$2,627	$2,705	$2,786	$2,870
Two Bedroom B Single-Occupancy	3,272	3,272	3,272	3,350	3,350	3,350	3,451	3,554	3,661	3,770
Efficiency Single	3,950	3,950	3,950	-	-	-	-	-	-	-
Studio	3,828	3,828	3,828	4,050	4,050	4,100	4,223	4,350	4,480	4,615
Two Bedroom B Double-Occupancy	2,276	2,276	2,276	2,350	2,350	2,350	2,421	2,493	2,568	2,645
One Bedroom Double-Occupancy	2,850	2,850	2,850	2,950	2,950	2,950	3,039	3,130	3,224	3,320
Two Bedroom Single-Occupancy	4,126	4,126	4,126	4,150	4,150	4,200	4,326	4,456	4,589	4,727
Four Bedroom Single-Occupancy	3,830	3,830	3,830	3,900	3,900	3,900	4,017	4,138	4,262	4,389
University Park Towers										
Four Bedroom Single-Occupancy	$3,830	$3,830	$3,830	$3,900	$3,900	$3,950	$4,069	$4,191	$4,316	$4,446
Two Bedroom Single - Occupancy	4,126	4,126	4,126	4,150	4,150	4,200	4,326	4,456	4,589	4,727
Studio	3,828	3,828	3,828	4,050	4,050	4,200	4,326	4,456	4,589	4,727
Everglades Hall										
Three Bedroom Single-Occupancy	$3,605	$3,605	$3,605	$3,700	$3,700	$3,800	$3,914	$4,031	$4,152	$4,277
Lakeview Hall[3]										
Two Bedroom Double-Occupancy	$4,509	$4,579	$4,599	$4,669	$4,669	$4,569	$4,650	$4,733	$4,819	$4,908
Four Bedroom Single-Occupancy	5,053	5,123	5,143	5,319	5,319	5,319	5,423	5,530	5,640	5,753
Parkview Hall										
Four Bedroom Single-Occupancy	-	-	-	$3,900	$3,900	$4,000	$4,120	$4,244	$4,371	$4,502
Studio	-	-	-	4,050	4,050	4,200	4,326	4,456	4,589	4,727

1 On-campus rental rates include utilities, cable and internet.
2 Based on student demand for certain facilities, some rental rates will change for Fiscal Year 2015-16. The average overall increase in Fiscal Year 2015-16 is 0.64%. Beginning in Fiscal Year 2016-17, all rental rates are assumed to increase 3% annually.
3 Rental rates include mandatory meal plan. Meal plan cost totaled $1,869 in Fall 2014.
4 Beginning in Fiscal 2014-15, the Bay Vista Housing facility was removed from the Housing System and leased to Royal Carribean under a 40-year agreement.
5 Due to Fall 2012, 2013 and 2014 occupancy demand, all singles were converted to doubles.

Comparison of Housing Rates

The University solicited Brailsford & Dunlavey to complete a survey of comparable off-campus facilities. The average rent for an off-campus two-bedroom apartment is currently $756 per month, per person. This off-campus rate includes an estimate for utilities and telephone service and does not include security deposits or transportation costs. Typical off-campus apartments require a 12-month lease with residents remaining liable for the total rental in the event a roommate withdraws from the University or fails to pay his or her portion of the rent. The off-campus facilities selected for this survey were located within a driving distance of up to 25 miles from the University. These off-campus accommodations are primarily occupied by non-students.

Housing System, rental rates for the typical on-campus, fully furnished, air-conditioned two-bedroom apartment average $654 to $825 per month per student. These rates include all utility costs, local telephone service, basic cable television, pest control, unlimited on-line Internet access and a supervisory staff. The University's on-campus housing facility rates compare favorably with off-campus housing rental rates.

Survey of Off-Campus Monthly Rental Rates
(As of Spring 2011)

Occupancy & Rental Rates By Location

Distance	Occupancy	Efficiency	1-Bedroom	2-Bedroom	3-Bedroom
0-4 Miles	94%	$927	$988	$1,167	$1,415
4-6 Miles	99%	n/a	$1,229	$1,391	$1,681
6-10 Miles	97%	n/a	$1,249	$1,576	$1,873
10-25 Miles	99%	$1,055	$1,078	$1,246	$1,963
Average	**97%**	**$1,012**	**$1,123**	**$1,312**	**$1,739**

Average Rental Cost Per Person

			% of Utilities Included in Rent[1]				
Distance	Avg. Rent/Person/Month	Security Deposit Required	Power	Cable	Trash	Water	Sewer
0-4 Miles	$733	$600 - $1,250	33%	0%	100%	17%	17%
4-6 Miles	$848	$250 - $1,122	0%	33%	83%	50%	67%
6-10 Miles	$961	$500 - $1,375	25%	25%	75%	75%	50%
10-25 Miles	$820	$199 - $1,250	30%	10%	60%	70%	0%
Average	**$841**	**$199 - $1,250**	**23%**	**15%**	**77%**	**54%**	**27%**

[1] Percent of off-campus units that include respective utility costs in rent.

Budgetary Information

Each spring, the Housing System's proposed budget for the ensuing fiscal year is finalized. The budget is developed based upon actual financial results from the prior year, current year activity, and projected changes in cost structures anticipated for future fiscal years. The Associate Director of Housing prepares the budget, which is reviewed by the Director of Housing and Vice President for Student Affairs. The University's President, Vice President for Student Affairs and Chief Financial Officer review and approve the budgets prior to forwarding to the Board of Trustees for concurrence. Once adopted, any proposed changes during the fiscal year are submitted to the Office of Auxiliary and Enterprise Development with an explanation of the proposed expenditure, the effect on revenues, and how the expenditure will be financed including any use of available cash balances. The Office of Auxiliary and Enterprise Development monitors each auxiliary enterprise budget to ensure each does not exceed budgeted spending authority. Budget plans are routinely adhered to with very few exceptions.

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The following table sets forth the Housing System's proposed operating budgets and actual results for Fiscal Years 2012-13 and 2013-14 as well as budget information for Fiscal Year 2014-15. This information has been prepared by the University on a cash basis for internal management purposes and has not been audited.

University Housing System Operating Budget

	Fiscal Year 2012-13			Fiscal Year 2013-14			Fiscal Year 2014-15
	Budget	**Actual**	**Variance**	**Budget**	**Actual**	**Variance**	**Budget**
Revenue from Operations	$24,466,760	$25,839,535	$1,372,776	$29,236,578	$30,244,416	$1,007,838	$27,125,291
Expenditures:							
Salaries and Benefits	$4,115,076	$3,580,316	($534,760)	$4,020,034	$3,709,529	($310,506)	$4,187,184
OPS	1,140,685	1,025,075	(115,609)	1,386,226	1,202,212	(184,014)	2,328,837
Operating Expense	12,272,048	10,652,619	(1,619,430)	10,630,059	11,673,508	1,043,448	12,788,935
OCO	74,432	68,043	(6,389)	415,250	87,154	(328,097)	24,000
Debt Service Interest	2,842,092	2,823,756	(18,336)	5,003,839	4,531,829	(472,010)	4,320,862
Total Operating Expenses	$20,444,332	$18,149,808	($2,294,524)	$21,455,409	$21,204,230	($251,179)	$23,649,819
Income	$4,022,427	$7,689,727	$3,667,299	$7,781,169	$9,040,185	$1,259,016	$3,475,472
Investment Income	$5,616	$15,180	$9,563	$15,737	$11,352	($4,385)	$13,031
Principal Payment of Debt	(3,982,950)	(3,975,000)	7,950	(4,956,998)	(5,175,000)	(218,002)	(5,400,780)
Net Transfers	(8,279,168)	(659,476)	7,619,692	(6,337,135)	(8,918,279)	(2,581,144)	(7,556,951)
Total Non-Operating Revenue /Expenditures	(12,256,501)	(4,619,296)	7,637,205	(11,278,396)	(14,081,927)	(2,803,531)	(12,944,700)
Change in Net Position	($8,234,074)	$3,070,431	$11,304,505	($3,497,227)	($5,041,742)	($1,544,515)	($9,469,228)
Beginning Fund Balance	$20,780,967	$20,780,967	-	$23,851,398	$23,851,398	-	$18,809,656
Change in Net Position	(8,234,074)	3,070,431	$11,304,505	(3,497,227)	(5,041,742)	($1,544,515)	(9,469,228)
Ending Fund Balance	$12,546,893	$23,851,398	$11,304,505	$20,354,171	$18,809,656	($1,544,515)	$9,340,429

Selected Historical Financial Information

The following tables set forth selected historical financial information for the University Housing System for Fiscal Years 2009-10 through 2013-14. The financial information for the Housing System was prepared by the University for internal management purposes as an integral part of the University's financial statements and was not independently audited.

The information provided below has been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America applicable to public colleges and universities as prescribed by the Governmental Accounting Standards Board (GASB). GASB allows public universities various reporting options. The University has elected to report as an entity engaged in only business-type activities. This election requires the adoption of the accrual basis of accounting and entity-wide reporting. As a result, the financial statements prepared for the fiscal years presented below include depreciation expense; assets and related liabilities from the investment in plant group; and construction assets, liabilities, and related financial activity.

The activities of the Housing System are included in the University Financial Statements. The University Financial Statements are subject to audit procedures as part of the audit of Florida's Comprehensive Annual Financial Report. Additionally, beginning in Fiscal Year 2001-02, the University's Financial Statements are independently audited by the State Auditor General's office.

University Housing System
Statement of Net Position (Unaudited)

	As of June 30,				
ASSETS	**2010**	**2011**	**2012**	**2013**	**2014**
CURRENT ASSETS					
Cash and Cash Equivalents	$1,072,789	$2,486,291	$629,248	$1,912,382	$611,338
Investments	15,113,463	17,335,047	19,845,901	18,638,984	18,318,877
Interest Receivable	-	-	80,319	3,327	980
Accounts Receivable	1,664,298	1,940,502	1,974,519	1,096,155	717,737
Allowance for Uncollectibles	(909,340)	(828,955)	(1,005,418)	-	-
Due from Other Funds	-	-	-	-	-
Other Current Assets and Deferred Charges	27,041	27,488	79,240	79,239	-
TOTAL CURRENT ASSETS	**$16,968,251**	**$20,960,373**	**$21,603,809**	**$21,730,087**	**$19,648,932**
NONCURRENT ASSETS					
Restricted Cash and Cash Equivalents	$1,791,876	$7,573	$28,216	$5,698	$5,579
Restricted Investments	-	-	46,218,906	5,982,421	753,744
Construction in Progress	-	202,906	6,006,876	53,814,219	7,626,959
Furniture and Equipment	823,914	1,711,129	982,855	1,011,539	1,147,736
Property Under Capital Lease	869,746	-	-	-	-
Buildings	108,875,122	108,875,122	108,974,882	109,023,010	150,823,759
Accumulated Depreciation	(25,241,500)	(28,243,982)	(30,524,918)	(33,328,384)	(31,342,459)
Other Assets and Deferred Charges	608,414	581,372	1,560,519	1,481,278	-
TOTAL NONCURRENT ASSETS	**$87,727,572**	**$83,134,120**	**$133,247,336**	**$137,989,781**	**$129,015,318**
TOTAL ASSETS	**$104,695,823**	**$104,094,493**	**$154,851,145**	**$159,719,868**	**$148,664,250**
LIABILITIES					
CURRENT LIABILITIES					
Accounts Payable	$175,185	$19,850	$90,329	$1,356,458	$324,959
Construction Accounts Payable	-	-	201,632	5,903,047	633,695
Accrued Salaries and Wages	119,388	89,425	51,696	60,584	77,479
Deposits Payable	58,726	-	-	-	-
Deferred Revenues	756,388	818,197	801,915	852,845	-
Capital Lease Liability-Current	185,525	-	-	-	-
Compensated Absences Liability-Current	17,705	16,737	16,441	16,446	17,552
Bonds Payable - Current	-	-	-	-	-
Capital Improvement Debt Payable - Current	3,831,900	4,010,152	4,358,006	5,575,263	5,801,612
TOTAL CURRENT LIABILITIES	**$5,144,817**	**$4,954,361**	**$5,520,019**	**$13,764,643**	**$6,855,297**
NONCURRENT LIABILITIES					
Capital Lease Liability-Non Current	-	-	-	-	-
Compensated Absences Liability-Non Current	$231,149	$220,331	$206,330	$216,103	$218,166
Bonds Payable – Non Current, Net of Discount	-	-	-	-	-
Capital Improvement Debt Payable Non-Current	-	-	-	-	-
Net of Discount	71,658,338	67,648,186	111,580,072	106,004,808	100,203,198
TOTAL NONCURRENT LIABILITIES	**$71,889,487**	**$67,868,517**	**$111,786,402**	**$106,220,911**	**$100,421,364**
TOTAL LIABILITIES	**$77,034,304**	**$72,822,878**	**$117,306,421**	**$119,985,554**	**$107,276,661**
NET POSITION					
Net Investment in Capital Assets	$9,149,790	$11,495,250	$15,143,695	$13,444,242	$21,344,563
Restricted - NonExpendable	-	-	-	-	-
Restricted - Expendable					
Debt Service	-	-	-	-	5,579
Capital Projects	3,848,392	7,571	2,773,448	2,346,632	-
Unrestricted	14,663,337	19,768,794	19,627,581	23,943,440	20,037,447
TOTAL NET POSITION	**$27,661,519**	**$31,271,615**	**$37,544,724**	**$39,734,314**	**$41,387,589**

University Housing System
Statement of Revenues, Expenses, and Changes in Net Position

	As of June 30,				
	2010	**2011**	**2012**	**2013**	**2014**
OPERATING REVENUES					
RENTAL INCOME	**$23,188,374**	**$25,983,956**	**$25,060,118**	**$25,976,149**	**$30,458,678**
OPERATING EXPENSES					
Personnel Services	$4,237,266	$4,541,851	$4,595,754	$4,624,058	$4,931,804
Contractual Services	6,759,518	7,656,564	7,580,158	9,887,278	10,157,077
Depreciation Expense	3,013,861	3,047,151	2,890,780	2,818,898	3,757,137
Other Operating Expenses	1,899,705	2,285,321	2,508,646	2,145,634	2,617,605
TOTAL OPERATING EXPENSES	**$15,910,350**	**$17,530,887**	**$17,575,338**	**$19,475,868**	**$21,463,623**
OPERATING INCOME	**$7,278,024**	**$8,453,069**	**$7,484,780**	**$6,500,281**	**$8,995,055**
NON OPERATING REVENUES					
Interest on Asset Related Debt	($3,499,530)	($3,301,956)	($3,202,061)	($4,308,432)	($4,120,826)
Net Investment Income	329,312	125,907	219,150	449,066	253,010
Other Non Operating Revenues (Expenses)	(27,041)	(27,041)	(162,621)	(79,239)	(1,233,586)
TOTAL NON OPERATING REVENUES	**($3,197,259)**	**($3,203,090)**	**($3,145,532)**	**($3,938,605)**	**($5,101,402)**
INCOME BEFORE NET TRANSFERS	**$4,080,765**	**$5,249,979**	**$4,339,248**	**$2,561,676**	**$3,893,653**
Transfers In (Out)	(1,514,825)[1]	30,317	1,933,861	(372,086)	(2,240,378)
CHANGE IN NET POSITION	**$2,565,940**	**$5,280,296**	**$6,273,109**	**$2,189,590**	**$1,653,275**
Net Position - Beginning of Year	**$25,495,579**	**$27,661,519**	**$31,271,615**	**$37,544,724**	**$39,734,314**
Adjustment to Beginning Net Position	(400,000)[2]	(1,670,200)[3]	-	-	-
TOTAL NET POSITION - BEGINNING - RESTATED	**$25,095,579**	**$25,991,319**	**$31,271,615**	**$37,544,724**	**$39,734,314**
TOTAL NET POSITION - ENDING	**$27,661,519**	**$31,271,615**	**$37,544,724**	**$39,734,314**	**$41,387,589**

[1] Represents amounts paid to the University Facilities Department for completion of minor renovation and construction projects.
[2] Adjustment for legacy accounting cost valuation for buildings.
[3] Adjustment for a prior year overstatement of cash.

Discussion and Analysis of Financial Condition and Results of Operations

Statement of Revenues, Expenses, and Changes in Net Position

The operations of the Housing System depend primarily on revenues collected from room rentals, interest income, conference fees, concession revenues (laundry and vending activity) and processing fees that provide additional income to the auxiliary. Net revenues of the Housing System are the primary source of pledged revenues for the Outstanding Bonds. Operating expenses include costs associated with salaries, utilities, daily maintenance functions, administration, supplies, and outsourced contractual services. Non-operating revenues and expense reported beginning Fiscal Year 2009-10 consists of investment income, interest expense and adjustments to the fair market value of investments.

Fiscal Year 2013-14

Operating revenues totaled $30.5 million for the Fiscal Year 2013-14, reflecting a 17.3 percent increase over Fiscal Year 2012-13. The increase of approximately $4.5 million resulted from revenue generated from the new housing facility that opened in Fall 2013.

Operating expenses totaled $21.5 million, representing an increase of $2.0 million over the prior year. The increase in operating expenses is attributed to higher operating costs resulting from the new housing facility that opened in Fall 2013.

Fiscal Year 2012-13

Operating revenues totaled $26.0 million for the Fiscal Year 2012-13, reflecting a 3.6 percent increase over fiscal year 2011-12.

Operating expenses totaled $19.5 million, representing an increase of $1.9 million from the 2011-12 fiscal year primarily driven by an increase in services and supplies of $1.6 million for expenses associated with the new housing facility. Additionally, there was a $0.4 million increase in food service costs associated with student meal plans.

Fiscal Year 2011-12

Operating revenues totaled $25.1 million for the Fiscal Year 2011-12, reflecting a 3.6 percent decrease over fiscal year 2010-11. This decrease of approximately $0.9 million was due to a decrease in occupancy of 3.0 percent to 94.0 percent from 97.0 percent in fiscal year 2010-11.

Operating expenses totaled $17.6 million during Fiscal Year 2011-12, which were slightly higher than the prior year due to other operating expenses related to higher utility costs.

Fiscal Year 2010-11

Operating revenues totaled $26.0 million, reflecting a 12.1 percent increase over Fiscal Year 2009-10. The increase in operating revenues of approximately $2.8 million was due a variety of factors including a 5.0 percent increase in occupancy, a 3.0 percent increase in rental rates effective Fall 2011, and a 3.0 percent increase in the meal plan rates.

Operating expenses related to housing facilities were $17.5 million during Fiscal Year 2010-11. The increase in operating expenses primarily relates to higher costs associated with the 5.0 percent increase in occupancy.

Fiscal Year 2009-10

Operating revenues totaled $23.2 million, reflecting a 1.4% increase over Fiscal Year 2008-09. This increase of approximately $0.3 million is due to an average 3.0 percent increase in rental rates effective Fall 2010 and a 3.0 percent increase in the meal plan rates.

Operating expenses related to the existing housing facilities remained fairly consistent with the prior year at $15.9 million, reflecting no major changes in any particular budget item during the year.

Statement of Net Position

Fiscal Year 2013-14

The Housing System's assets totaled $148.7 million at June 30, 2014. This amount is reported net of accumulated depreciation of $31.3 million. Overall total assets decreased $11 million or 6.9 percent as compared to Fiscal Year 2012-13, primarily reflecting a decrease of restricted investments to complete construction of the new housing facility that opened in Fall 2013. Also contributing to the decrease was the removal of the Bay Vista Housing facility from the Housing System.

Total liabilities were $107.3 million at June 30, 2014, compared to $120.0 million at June 30, 2013. The decrease of $12.7 million or 10.6 percent is primarily attributed to reduced accounts and construction contracts payable for payments made to complete the new housing facility. Annual amortization of principal payments for capital improvement debt also contributed to the decrease.

The Housing System's total net position of $41.4 million at the end of the year represents an increase of $1.7 million or 4.3 percent from the total beginning net position of $39.7 million. The total net position consisted of $21.3 million of net investment in capital assets, $20 million unrestricted and $0.1 million restricted, expendable for debt service and capital projects.

Fiscal Year 2012-13

The Housing System's assets totaled $159.7 million at June 30, 2013. This amount is reported net of accumulated depreciation of $33.3 million. Overall total assets increased $4.8 million or 3.1 percent as compared to Fiscal Year 2011-12, primarily due to an increase in construction in progress for the new housing facility, which was offset by a decrease in cash and investments and an increase in accumulated depreciation.

Total liabilities amounted to $120.0 million at June 30, 2013, compared to $117.3 million at June 30, 2012. The increase of $2.7 million or 2.3 percent is primarily due to an approximately $7 million increase in accounts payable and construction contracts payable associated with the new housing facility construction. The increase was offset by a $4.3 million annual amortization of principal payments for capital improvement debt.

The Housing System's total net position of $39.7 million at the end of the year represents an increase of $2.2 million or 5.9 percent from the total beginning net position of $37.5 million. The total net position consisted of $13.4 million of net investment in capital assets, $23.9 million unrestricted and $2.4 million restricted, expendable for debt service and capital projects.

Fiscal Year 2011-12

The Housing System's assets totaled $154.9 million at June 30, 2012. This amount is reported net of accumulated depreciation of $30.5 million. Total assets reflect a $50.7 million increase from Fiscal Year 2010-11. Current assets increased by $0.6 million while noncurrent assets increased by $50.1 million due to bond proceeds recorded as an increase in restricted investments of $46.2 million. Additionally, there was an increase of $5.8 million in construction in progress related to the new housing project, offset by an increase in accumulated depreciation of $2.2 million.

Total liabilities amounted to $117.3 million at June 30, 2012, compared to $72.8 million at June 30, 2011, an increase of $44.5 million or 61.1 percent. The increases in current and noncurrent liabilities of $0.6 million and $43.9 million, respectively, are mainly attributed to the issuance of capital improvement bonds to finance construction of the new housing facility.

The Housing System's total net assets of $37.5 million at the end of the year represents a $6.2 million or 20.1 percent increase from the beginning total net assets balance of $31.3 million. Total net assets consisted of $2.8 million restricted expendable for capital projects, $19.6 million unrestricted and $15.1 million in capital assets, net of related debt.

Fiscal Year 2010-11

The Housing System's assets totaled $104.1 million at June 30, 2011. This amount is reported net of accumulated depreciation of $28.2 million. Total assets reflect a modest decrease from Fiscal Year 2009-10. Noncurrent assets decreased by $4.6 million, which is primarily attributable to current year depreciation of capital assets in the amount of $3.0 million, which was offset by an increase of $4.0 million in current assets relating to a combined $3.6 million increase in unrestricted cash and investments.

Total liabilities amounted to $72.8 million at June 30, 2011, compared to $77.0 million at June 30, 2010. The decrease of $4.2 million or 5.5 percent is attributed to the principal payments made for capital improvement debt and capital lease liabilities.

The Housing System's total net assets balance of $31.3 million at the end of the year represents a 13.1 percent increase from the beginning total net assets balance of $27.7 million. Total net assets consisted of $8 thousand restricted expendable for capital projects, $19.8 million unrestricted and $11.5 million in capital assets, net of related debt.

Fiscal Year 2009-10

Assets totaled $104.7 million at June 30, 2010. This amount is reported net of accumulated depreciation of $25.2 million. Total assets decreased by $1.5 million or 1.4% due to offsetting effects of a $4.3 million decrease in noncurrent assets, which is primarily attributable to current year depreciation of capital assets in the amount of $3.0 million and a $2.9 million increase in investments.

Liabilities totaled $77.0 million at June 30, 2010, compared to $80.7 million at June 30, 2009. The decrease of 4.5 percent is attributed to the principal payments made for bond and capital lease liabilities.

The Housing System's total net assets balance of $27.7 million at the end of the year represents an 8.5 percent increase from the beginning total net assets balance of $25.5 million. Total net assets consisted of $3.8 million restricted expendable for capital projects, $14.7 million unrestricted and $9.2 million in capital assets, net of related debt.

Historical Debt Service Coverage

Presented hereafter are historical operating results and debt service coverage ratios for the last five fiscal years.

Historical Debt Service Coverage[1]
Pro Forma Historical Debt Service Coverage from Pledged Revenues

	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY2013-14
Operating Revenues					
Rental Income	$23,188,374	$25,983,956	$25,060,118	$25,976,149	$30,458,678[5]
Total Housing System Revenues	**$23,188,374**	**$25,983,956**	**$25,060,118**	**$25,976,149**	**$30,458,678**
Current Expenses[2]					
Personnel Services	$4,237,266	$4,541,851	$4,595,754	$4,624,058	$4,931,804
Contractual Services	6,759,518	7,656,564	7,580,158	9,887,278	10,157,077
Other Operating Expenses	1,899,705	2,285,321	2,508,646	2,145,634	2,617,605
Less: One-time Capital Expenditures	-	-	-	(1,817,145)	(1,231,186)
Less: Administrative Overhead[3]	(477,944)	(597,453)	(635,995)	(691,301)	(785,567)
Total Current Expenses	**$12,418,545**	**$13,886,283**	**$14,048,563**	**$14,148,524**	**$15,689,733**
Net Housing System Revenues	**$10,769,829**	**$12,097,673**	**$11,011,555**	**$11,827,625**	**$14,768,945**
Interest Income[4]	$329,312	$19,416	$9,204	$15,180	$11,352
Non-operating Income/(Expense)	**$329,312**	**$19,416**	**$9,204**	**$15,180**	**$11,352**
Pledged Revenues	**$11,099,141**	**$12,117,089**	**$11,020,759**	**$11,842,805**	**$14,780,297**
Total Annual Debt Service	**$7,124,129**	**$7,129,454**	**$7,253,378**	**$8,666,438**	**$9,696,088**
Maximum Annual Debt Service	**$7,131,329**	**$7,131,329**	**$9,702,238**	**$9,702,238**	**$9,702,238**
Coverage Ratios					
Annual Debt Service	1.56x	1.70x	1.52x	1.37x	1.52x
Maximum Annual Debt Service	1.56x	1.70x	1.14x	1.22x	1.52x

1 The financial information related to revenues and expenses was provided by the University, has not been audited, and is based on the existing Housing System.

2 Current expenditures include costs associated with salaries, utilities, routine maintenance, supplies and repairs, less depreciation expense.

3 Administrative overhead expenditures are transfers made to the University for shared services.

4 Prior to Fiscal Year 2010-11, Interest Income reflects changes in market valuation of the investment portfolio. FIU's current policy is that interest income will only reflect realized income.

5 In Fiscal Year 2013-14, the Housing System received a one-time $600,000 payment from Royal Carribean under the agreement with the University. The payment was considered prepaid rent for the Bay Vista Housing facility and was recorded as non-operating revenue and transfers into the Housing System in the financial statements.

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Projected Pledged Revenues and Debt Service Coverage

Projected operating results and debt service coverage ratios for the next five fiscal years are provided in the following table. The projections of future operating results have been prepared by the University based upon the most recent available information, which is believed to be accurate. Projections are statements of opinion and are subject to future events which may cause the actual results to differ materially from those set forth herein. Undue reliance should not be placed on these projections.

Based on student demand for certain facilities, some rental rates will change in Fiscal Year 2015-16. The average overall increase for Fiscal Year 2015-16 is 0.64%. Beginning in Fiscal Year 2016-17, all rental rates are assumed to increase 3% annually. Additional assumptions for the Housing System include overall occupancy rates between 94% and 96%. The majority of operating expenses are projected to increase 2% annually.

Projected Debt Service Coverage[1]

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Operating Revenues					
Rental Income[2,6]	$28,238,113	$28,826,257	$29,500,387	$30,382,848	$31,291,784
Total Housing System Revenues	**$28,238,113**	**$28,826,257**	**$29,500,387**	**$30,382,848**	**$31,291,784**
Current Expenses[3,4,6]					
Personnel Services	$5,337,969	$5,169,844	$5,290,746	$5,449,011	$5,612,024
Contractual Services	9,507,622	9,616,382	9,841,270	10,135,658	10,438,877
Other Operating Expenses	1,728,631	1,977,621	2,023,870	2,084,411	2,146,768
Less: One-time Capital Expenditures	(1,243,354)	-	-	-	-
Less: Administrative Overhead[5]	(860,393)	(830,511)	(849,934)	(875,358)	(901,545)
Total Current Expenses	**$14,470,475**	**$15,933,336**	**$16,305,952**	**$16,793,722**	**$17,296,124**
Net Housing System Revenues	**$13,767,638**	**$12,892,921**	**$13,194,435**	**$13,589,126**	**$13,995,660**
Interest Income	$13,031	$12,416	$12,706	$13,087	$13,478
Non-operating Income/(Expense)	$13,031	$12,416	$12,706	$13,087	$13,478
Pledged Revenues	**$13,780,669**	**$12,905,337**	**$13,207,141**	**$13,602,213**	**$14,009,138**
Annual Debt Service					
2004 Bonds	$4,296,850	-	-	-	-
2011A Refunding Bonds	2,276,519	$2,271,119	$2,278,519	$2,271,769	$2,276,269
2012A Bonds	3,128,869	3,127,069	3,124,369	3,125,769	3,124,569
2015A Refunding Bonds	-	3,906,388	2,015,375	2,020,625	2,018,125
Total Annual Debt Service	**$9,702,238**	**$9,304,576**	**$7,418,263**	**$7,418,163**	**$7,418,963**
Maximum Annual Debt Service	**$9,702,238**	**$9,304,576**	**$7,482,619**	**$7,482,619**	**$7,482,619**
Coverage Ratios					
Annual Debt Service	**1.42x**	**1.39x**	**1.78x**	**1.83x**	**1.89x**
Maximum Annual Debt Service	**1.42x**	**1.39x**	**1.77x**	**1.82x**	**1.87x**

[1] The financial information related to revenues and expenses was provided by the University and has not been audited.
[2] Rental Income is projected to increase by 3% annually beginning Fiscal Year 2016-17 at the Modesto Maidique Campus.
[3] Current expenditures include costs associated with salaries, utilities, routine maintenance, supplies and repairs, less depreciation expense.
[4] Employee salaries, fringe benefits and other personnel services are projected to increase 2% percent per year.
[5] Administrative overhead expenditures are transfers made to the University for shared services.
[6] Beginning in Fiscal Year 2014-15, rental income and current expenses exclude the Bay Vista Housing facility, which was removed from the Housing System and leased to Royal Carribean under a 40-year agreement.

SCHEDULE OF DEBT SERVICE

The table below shows the debt service on the Bonds which will be Outstanding subsequent to the refunding accomplished with the proceeds of the 2015A Bonds, the debt service on the 2015A Bonds, and the total debt service.

Fiscal Year Ending June 30	Outstanding Bonds[1]	2015A Bonds Debt Service			Total Debt Service[1]
		Principal	Interest	Total	
2015	$9,702,238	-	-	-	$9,702,238
2016	5,398,188	$2,810,000	$1,096,388	$3,906,388	9,304,576
2017	5,402,888	995,000	1,020,375	2,015,375	7,418,263
2018	5,397,538	1,050,000	970,625	2,020,625	7,418,163
2019	5,400,838	1,100,000	918,125	2,018,125	7,418,963
2020	5,394,838	1,155,000	863,125	2,018,125	7,412,963
2021	5,398,538	1,215,000	805,375	2,020,375	7,418,913
2022	5,403,138	1,265,000	756,775	2,021,775	7,424,913
2023	5,397,038	1,320,000	693,525	2,013,525	7,410,563
2024	5,396,813	1,365,000	653,925	2,018,925	7,415,738
2025	5,461,944	1,435,000	585,675	2,020,675	7,482,619
2026	4,495,419	1,505,000	513,925	2,018,925	6,514,344
2027	4,492,019	1,550,000	468,775	2,018,775	6,510,794
2028	4,489,019	1,595,000	422,275	2,017,275	6,506,294
2029	2,861,219	1,645,000	372,431	2,017,431	4,878,650
2030	2,863,419	1,700,000	318,969	2,018,969	4,882,388
2031	2,862,819	1,755,000	261,594	2,016,594	4,879,413
2032	2,864,419	1,815,000	202,363	2,017,363	4,881,781
2033	2,863,019	1,880,000	138,838	2,018,838	4,881,856
2034	2,863,619	1,950,000	70,688	2,020,688	4,884,306
2035	2,866,019	-	-	-	2,866,019
2036	2,862,331	-	-	-	2,862,331
2037	2,865,138	-	-	-	2,865,138
2038	2,864,025	-	-	-	2,864,025
2039	2,860,963	-	-	-	2,860,963
2040	2,863,650	-	-	-	2,863,650
2041	2,861,663	-	-	-	2,861,663
Total	$114,452,750	$29,105,000	$11,133,769	$40,238,769	$154,691,519

Note: Totals may not add due to rounding.

[1] Excludes the Refunded Bonds.

PROVISIONS OF STATE LAW

Bonds Legal Investment for Fiduciaries

The State Bond Act provides that all bonds issued by the Division of Bond Finance are legal investments for state, county, municipal or other public funds, and for banks, savings banks, insurance companies, executors, administrators, trustees, and all other fiduciaries and also are securities eligible as collateral deposits for all state, county, municipal, or other public funds.

Negotiability

The 2015A Bonds will have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code- Investment Securities Law of the State.

TAX MATTERS

General

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements which must be met subsequent to the issuance and delivery of the 2015A Bonds in order that interest on the 2015A Bonds be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the 2015A Bonds to be included in federal gross income retroactive to the date of issuance of the 2015A Bonds, regardless of the date on which such non-compliance occurs or is ascertained. These requirements include, but are not limited to, provisions which prescribe yield and other limits within which the proceeds of the 2015A Bonds and the other amounts are to be invested and require that certain investment earnings on the foregoing must be rebated on a periodic basis to the Treasury Department of the United States. The Board, the Division of Bond Finance and the Board of Administration have covenanted in the Resolution to comply with such requirements in order to maintain the exclusion from federal gross income of the interest on the 2015A Bonds.

In the opinion of Bond Counsel, assuming compliance with the aforementioned covenants, under existing laws, regulations, judicial decisions and rulings, interest on the 2015A Bonds is excluded from gross income of the holders thereof for purposes of federal income taxation. Interest on the 2015A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals or corporations; however, interest on the 2015A Bonds will be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations. The 2015A Bonds and the income thereon are not subject to any tax under the laws of the State of Florida except estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of 2015A Bonds. Prospective purchasers of 2015A Bonds should be aware that the ownership of 2015A Bonds may result in collateral federal income tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry 2015A Bonds, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by 15% of certain items, including interest on the 2015A Bonds, (iii) the inclusion of interest on the 2015A Bonds in earnings of certain foreign corporations doing business in the United States for purposes of a branch profits tax, (iv) the inclusion of interest on 2015A Bonds in passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year, and (v) the inclusion of interest on the 2015A Bonds in "modified adjusted gross income" by recipients of certain Social Security and Railroad Retirement benefits for purposes of determining whether such benefits are included in gross income for federal income tax purposes.

Information Reporting and Backup Withholding

Interest paid on tax-exempt bonds such as the 2015A Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of 2015A Bonds, under certain circumstances, to "backup withholding" at the rate specified in the Code with respect to payments on the 2015A Bonds and proceeds from the sale of 2015A Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of 2015A Bonds. This withholding generally applies if the owner of 2015A Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the 2015A Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Tax Treatment of Bond Premium

The 2015A Bonds maturing in 2016 through 2025 were offered and sold to the public at prices in excess of the principal amount thereof. Under the Code, the excess of the cost basis of a bond over the principal amount of the bond (other than for a bondholder who holds a bond as inventory, stock in trade, or for sale to customers in the ordinary course of business) is generally characterized as "bond premium." For federal income tax purposes, bond premium is amortized over the term of the bonds or to the first optional redemption date in the case of callable bonds. A bondholder will therefore be required to decrease his basis in the 2015A Bonds by the amount of amortizable bond premium attributable to each taxable year such bondholder holds such 2015A Bond. The amount of the amortizable bond premium attributable to each taxable year is determined on an actuarial basis at a constant interest rate compounded on each interest payment date. The amortizable bond premium attributable to a taxable year is not deductible for federal income tax purposes.

Bondholders of such 2015A Bonds should consult their own tax advisors with respect to the precise determination of federal income tax treatment of bond premium upon sale, redemption, or other disposition of such 2015A Bonds.

Tax Treatment of Original Issue Discount

The 2015A Bonds maturing in 2027 through 2034 were offered and sold to the public at prices below their maturity amount. Under the Code, the difference between the maturity amounts of such 2015A Bonds and the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, at which price a substantial amount of 2015A Bonds of the same maturity was sold is "original issue discount." Original issue discount will accrue over the terms of such 2015A Bonds at a constant interest rate compounded periodically. A purchaser who acquires such 2015A Bonds in the initial offering at a price equal to the initial offering price thereof to the public will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period he holds such 2015A Bonds, and will increase his adjusted basis in such 2015A Bonds by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such 2015A Bonds. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of such 2015A Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Owners of such 2015A Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, redemption or other disposition of 2015A Bonds and with respect to the state and local tax consequences of owning and disposing of such 2015A Bonds.

Purchase, ownership or sale or disposition of the 2015A Bonds and the receipt of the interest thereon may have adverse federal tax consequences for certain individual and corporate bondholders. Prospective 2015A Bondholders should consult their tax specialists for information in that regard.

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the 2015A Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the 2015A Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the 2015A Bonds and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect upon, the 2015A Bonds. For example, in connection with federal deficit reduction, job creation and tax law reform efforts, proposals have been made and others are likely to be made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the 2015A Bonds. There can be no assurance that any such legislation or proposal will be enacted, and if enacted, what form it may take. The introduction or enactment of any such legislative proposals may affect, perhaps significantly, the market price for, or marketability of the 2015A Bonds.

State Taxes

The 2015A Bonds and the income therefrom are not subject to any taxation by the State or any county, municipality, political subdivision, agency, or instrumentality of the State, except estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended.

Florida laws governing the imposition of estate taxes do not provide for an exclusion of state or local bonds from the calculation of the value of the gross estate for tax purposes. Florida's estate tax is generally calculated on the basis of the otherwise unused portion of the federal credit allowed for state estate taxes. Under Chapter 198, Florida Statutes, all values for state estate tax purposes are as finally determined for federal estate tax purposes. Since state and local bonds are included in the valuation of the gross estate for federal tax purposes, such obligations would be included in such calculation for Florida estate tax purposes. Prospective owners of the 2015A Bonds should consult their own attorneys and advisors for the treatment of the ownership of the 2015A Bonds for estate tax purposes.

The 2015A Bonds and the income therefrom are subject to the tax imposed by Chapter 220 on interest, income, or profits on debt obligations owned by corporations and other specified entities.

MISCELLANEOUS

Investment of Funds

University funds are invested based on the University's Board approved investment policy, as prescribed by Section 218.415, Florida Statutes.

Funds Held Pursuant to the Resolution - The Resolution directs the manner in which funds held in the various funds may be invested. At closing, the net proceeds of the 2015A Bonds will be held uninvested in cash. After collection, the Pledged Revenues are accounted for in the Revenue Fund, and amounts required for debt service are transferred to the Sinking Fund held by the Board of Administration. See "*Investment by the Chief Financial Officer*" and "*Investment by the Board of Administration*" below.

Investment by the Chief Financial Officer - Funds held in the State Treasury are invested by internal and external investment managers. As of December 31, 2014, the ratio was approximately 46% internally managed funds, 43% externally managed funds, 3% Certificates of Deposit and 8% in an externally managed Security Lending program. The total portfolio market value on December 31, 2014, was $23,533,107,893.33.

Under State law, the Treasury is charged with investing funds of each State agency and the judicial branch. As of December 31, 2014, $15.581 billion of the investments in the Treasury consisted of accounts held by State agencies that are required by law to maintain their investments in the Treasury; additionally, $5.856 billion as of this date consisted of moneys held by certain boards, associations, or entities created by the State Constitution or by State law that are not required to maintain their investments with the Treasury and are permitted to withdraw these funds from the Treasury.

As provided by State law, the Treasury must be able to timely meet all disbursement needs of the State. Accordingly, the Treasury allocates its investments to provide for estimated disbursements plus a cushion for liquidity in instances of greater-than-expected disbursement demand.

To this end, a portion of Treasury's investments are managed for short-term liquidity and preservation of principal. The remainder is managed to obtain maximum yield, given the safety parameters of State law and Treasury's Comprehensive Investment Policy. Investments managed for short-term liquidity and preservation of principal are managed "internally" by Treasury personnel. The majority of investments managed for a maximum return are managed by "external" investment managers not employed by the State.

The Externally Managed Investment Program provides long-term value while limiting risk appropriately and provides a backup source of liquidity. External investment strategy focuses on medium-term and long-term fixed income securities, rather than money market instruments, in order to take advantage of higher returns historically achieved by such securities. Portfolio managers are hired to actively manage funds. These funds may be invested in U.S. Treasury government agency obligations, investment grade corporate debt, municipal debt, mortgage backed securities, asset backed securities, negotiable certificates of deposit, and U.S. dollar denominated investment-grade foreign bonds that are registered with the Securities and Exchange Commission. The managers may also use leveraging techniques such as forward purchase commitments, covered options, and interest rate futures.

Investment by the Board of Administration - The Board of Administration manages investment of assets on behalf of the members of the Florida Retirement System (the "FRS") Defined Benefit Plan. It also acts as sinking fund trustee for most State bond issues and oversees the management of a short-term investment pool for local governments and smaller trust accounts on behalf of third party beneficiaries.

The Board of Administration adopts specific investment policy guidelines for the management of its funds which reflect the long-term risk, yield, and diversification requirements necessary to meet its fiduciary obligations. As of December 31, 2014, the Board of Administration directed the investment/administration of 33 funds in 462 portfolios.

As of December 31, 2014 the total market value of the FRS (Defined Benefit) Trust Fund was $146,561,699,437.66. The Board of Administration pursues an investment strategy which allocates assets to different investment types. The long-term objective is to meet liability needs as determined by actuarial assumptions. Asset allocation levels are determined by the liquidity and cash flow requirements of the FRS, absolute and relative valuations of the asset class investments, and opportunities within those asset classes. Funds are invested internally and externally under a Defined Benefit Plan Investment Policy Statement.

The Board of Administration uses a variety of derivative products as part of its overall investment strategy. These products are used to manage risk or to execute strategies more efficiently or more cost effectively than could be done in the cash markets. They are not used to speculate in the expectation of earning extremely high returns. Any of the products used must be within investment policy guidelines designed to control the overall risk of the portfolio.

The Board of Administration invests assets in 32 designated funds other than the FRS (Defined Benefit) Trust Fund. As of December 31, 2014, the total market value of these funds equaled $33,814,812,429.96. Each fund is independently managed by the Board of Administration in accordance with the applicable documents, legal requirements and investment plan. Liquidity and preservation of capital are preeminent investment objectives for most of these funds, so investments for these are restricted to high quality money market instruments (e.g., cash, short-term treasury securities, certificates of deposit, banker's acceptances, and commercial paper). The term of these investments is generally short, but may vary depending upon the requirements of each trust and its investment plan.

Investment of bond sinking funds is controlled by the resolution authorizing issuance of a particular series of bonds. The Board of Administration's investment policy with respect to sinking funds is that only U.S. Treasury securities, and repurchase agreements backed thereby, be used.

Bond Ratings

Moody's Investors Service and Fitch Ratings (herein referred to collectively as "Rating Agencies"), have assigned their municipal bond ratings of Aa3 and A+, respectively, to the 2015A Bonds. Such ratings reflect only the respective views of such Rating Agencies at the time such ratings were issued, and an explanation of the significance of such ratings may be obtained from any of the respective rating agencies.

No rating was requested from Standard & Poor's Ratings Services due to its proposed fee structure for such rating. The decision to proceed without a rating from Standard & Poor's Ratings Services was not related to any credit issues or the rating which the 2015A Bonds might have been assigned.

The University furnished to such Rating Agencies certain information and material in respect to the University, the Housing System, and the 2015A Bonds. Generally, Rating Agencies base their ratings on such information and materials and on investigations, studies and assumptions made by the Rating Agencies. There is no assurance that such ratings will be maintained for any given period of time or that they may not be lowered, suspended or withdrawn entirely by the Rating Agencies, or any of them, if in their or its judgment, circumstances warrant. Any such downward change in, suspension of or withdrawal of such ratings may have an adverse effect on the market price of the 2015A Bonds.

Certain companies provide either bond insurance or reserve account surety bonds on various series of Outstanding Bonds. The Rating Agencies have evaluated (and are continuing to evaluate) the effects of the downturn in the market for certain structured finance instruments, including collateralized debt obligations and residential mortgage backed securities, on the claims-paying ability of financial guarantors. The results of these evaluations have included and may include additional ratings affirmations, changes in rating outlook, reviews for downgrade, and downgrades. To date, the Rating Agencies have downgraded the following companies as indicated: Assured Guaranty Corp. (Assured) - S&P/AA, Moody's/A3; Assured Guaranty Municipal Corp. (AG Muni - formerly, Financial Security Assurance Inc.) - S&P/AA, Moody's/A2; and MBIA Insurance Corporation - S&P/A-, Moody's/B2. Assured has a negative outlook by Moody's and a stable outlook by S&P. AG Muni has a stable outlook by both Moody's and S&P. MBIA has a stable outlook by S&P and a negative outlook by Moody's. Fitch has withdrawn its ratings for Ambac Assurance Corporation (Ambac), Financial Guaranty Insurance Company (FGIC), MBIA, Syncora, Assured and AG Muni; Moody's and S&P have withdrawn their ratings for FGIC, Ambac and Syncora. Potential investors are directed to the Rating Agencies for additional information on their ongoing evaluations of the financial guaranty industry and individual financial guarantors.

Litigation

Currently there is no litigation pending, or to the knowledge of the University, the Board, or the Division of Bond Finance threatened, which, if successful, would have the effect of restraining or enjoining the issuance or delivery of the 2015A Bonds or the fixing or collection of the revenues pledged thereto. Nor is there currently any litigation pending, or to the knowledge of the University, the Board, or the Division of Bond Finance threatened which questions or affects the validity of the 2015A Bonds or the proceedings and authority under which the 2015A Bonds are to be issued. Further, there is currently no litigation pending, or to the knowledge of the University, the Board, or the Division of Bond Finance threatened, which questions or affects the corporate existence of the Board or the title of the present officers to their respective offices. The University, the Board, and the Division of Bond Finance from time to time engage in routine litigation the outcome of which would not be expected to have any material adverse affect on the issuance and delivery of the 2015A Bonds.

Legal Opinion and Closing Certificates

The approving legal opinion of Bryant Miller Olive P.A., Tallahassee, Florida, will be provided on the date of delivery of the 2015A Bonds, as well as a certificate, executed by appropriate State officials, to the effect that to the best of their knowledge the Official Statement, as of its date and as of the date of delivery of the 2015A Bonds, does not contain an untrue statement of a material fact or omit to state a material fact which should be included herein for the purpose for which the Official Statement is intended to be used, or which is necessary to make the statements contained herein, in the light of the circumstances under which they were made, not misleading. A proposed form of the legal opinion of Bond Counsel is attached hereto as Appendix K.

Continuing Disclosure

The Board and the University will undertake, for the benefit of the beneficial owners and the Registered Owners of the 2015A Bonds to provide, or cause to be provided, certain financial information and operating data and to provide notices of certain material events. Such financial information and operating data will be transmitted to the Municipal Securities Rulemaking Board (the “MSRB”) using its Electronic Municipal Market Access System (“EMMA”). Any notice of material events will also be transmitted to the MSRB using EMMA. The form of the undertaking is set forth in Appendix J, Form of Continuing Disclosure Agreement. This undertaking is being made in order to assist the underwriters in complying with Rule 15c2-12 of the Securities and Exchange Commission.

Neither the Board, the University nor the Division of Bond Finance has failed, in the previous five years, to comply in all material respects with any prior disclosure undertakings.

Underwriting

Morgan Stanley & Co., LLC (the “Underwriter”) has agreed to purchase the 2015A Bonds at an aggregate purchase price of $30,507,520.75 (which represents the par amount of the 2015A Bonds plus a net original issue premium of $1,402,520.75 and minus the Underwriter's discount of $305,764.32). The Underwriter may offer and sell the 2015A Bonds to certain dealers (including dealers depositing bonds into investment trusts) and others at prices lower than the offering price stated on the inside front cover.

Morgan Stanley, parent company of Morgan Stanley & Co. LLC., an underwriter of the Bonds, has entered into a retail distribution arrangement with Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

Execution of Official Statement

The Division of Bond Finance and the Board have authorized the execution and delivery of the Official Statement.

DIVISION OF BOND FINANCE of the STATE
BOARD OF ADMINISTRATION OF FLORIDA

RICK SCOTT
Governor, as Chairman of the Governing Board
of the Division of Bond Finance

J. BEN WATKINS III
Director
Division of Bond Finance

BOARD OF GOVERNORS

MORTEZA HOSSEINI
Chair

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APPENDIX A

DEFINITIONS

"2004A Bonds" means the $53,915,000 State of Florida, Florida Education System, Florida International University Housing Facility Revenue Bonds, Series 2004A Bonds.

"2011A Bonds" means the $22,210,000 State of Florida, Board of Governors, Florida International University Dormitory Revenue Refunding Bonds, Series 2011A.

"2012A Bonds" means the $53,655,000 State of Florida, Board of Governors, Florida International University Dormitory Revenue Bonds, Series 2012A, authorized by the Fifth and Sixth Supplemental Resolutions.

"2015A Bonds" means the $29,105,000 State of Florida, Board of Governors, Florida International University Dormitory Revenue Refunding Bonds, Series 2015A, authorized by the Seventh Supplemental Resolution.

"Accreted Value" means, as of any date of computation with respect to any Capital Appreciation Bond, an amount equal to the principal amount of such Capital Appreciation Bond at its initial offering plus the accrued interest on such Capital Appreciation Bond from the date of delivery to the original purchasers thereof to the Interest Payment Date next preceding the date of computation or to the date of computation if such date is an Interest Payment Date, such interest to accrue at a rate per annum determined pursuant to a subsequent resolution of the Division of Bond Finance (not to exceed the maximum rate permitted by law), compounded periodically, plus, with respect to matters related to the payment upon redemption of the Capital Appreciation Bond, if such date of computation shall not be an Interest Payment Date, the ratable portion of the difference between the Accreted Value as of the immediately preceding Interest Payment Date (or the date of delivery of the Bonds to the original purchasers thereof if the date of computation is prior to the first Interest Payment Date succeeding the date of delivery) and the Accreted Value as of the immediately succeeding Interest Payment Date, calculated based on the assumption that Accreted Value accrues during any period in equal daily amounts on the basis of a year of twelve 30-day months.

"Additional Bonds" means any obligations issued pursuant to the terms and conditions of the Resolution and payable from the Pledged Revenues on a parity with the 1998 Bonds originally issued hereunder. Such Additional Bonds shall be deemed to have been issued pursuant to the Resolution the same as the Bonds originally authorized and issued pursuant to the Resolution, and all of the applicable covenants and other provisions of the Resolution (except as to details of such Additional Bonds inconsistent herewith), shall be for the equal benefit, protection and security of the Registered Owners of the Bonds originally authorized and issued pursuant to the Resolution, and the Registered Owners of any Additional Bonds evidencing additional obligations subsequently issued within the limitations of and in compliance with the Resolution. All of such Additional Bonds, regardless of the time or times of their issuance, shall rank equally with other Bonds with respect to their lien on and source and security for payment from the Pledged Revenues without preference or priority of any Bonds over any other. Additional Bonds shall also include any outstanding indebtedness previously issued with respect to any facility which is being added to the Housing System and which is secured by the revenue of such facility.

"Administrative Expenses" means, with respect to the Bonds or the administration of any funds under the Resolution, to the extent applicable: (i) fees or charges, or both, of the Board of Administration and the Division of Bond Finance; and (ii) such other fees or charges, or both, as may be approved by the Board of Administration or the Division of Bond Finance, including but not limited to those relating to tax law compliance, disclosure of information, paying agents, rating agencies and providers of credit enhancement; all as may be determined from time to time as necessary.

"Amortization Installment" means an amount so designated which is established for the Term Bonds of each Series; provided that each such Amortization Installment shall be deemed due upon the date provided pursuant to a subsequent resolution adopted by the Division of Bond Finance and the aggregate of such Amortization Installments for each Series shall equal the aggregate principal of the Term Bonds.

"Annual Debt Service Requirement" means, at any time, the amount of money required to pay the interest, principal and Amortization Installment in each Fiscal Year, provided that any interest, principal, or Amortization Installment payable on July 1 of any Fiscal Year shall be deemed payable in the prior Fiscal Year.

"Board of Administration" means the State Board of Administration, as created pursuant to the provisions of Article XII, Section 9, Florida Constitution and Chapter 215, Florida Statutes.

"Board of Governors" or "Board" means the Board of Governors, created by Article IX, Section 7 of the Florida Constitution, and includes any other entity succeeding to the powers thereof.

"Bond Insurance Policy" means an insurance policy issued for the benefit of the Registered Owners of any Bond, pursuant to which the issuer of such insurance policy shall be obligated to pay when due the principal of and interest on such Bond to the extent of any deficiency in the amounts in the funds and accounts held under the Resolution, in the manner and in accordance with the terms provided in such Bond Insurance Policy.

"Bond Registrar/Paying Agent" means U.S. Bank Trust National Association, New York, New York, or its successor.

"Bonds" means the Outstanding Bonds, the 2015A Bonds and any Additional Bonds.

"Bond Year" means, with respect to a particular Series of bonds issued hereunder, the annual period relevant to the application of Section 148(f) of the Code to the Series of bonds, except that the first and last Bond Years may be less than 12 months long. The last day of a Bond Year shall be the close of business on the day preceding the anniversary of the date of issuance of the Series unless the Division of Bond Finance selects another date on which to end a Bond Year in the manner permitted by the Code.

"Capital Appreciation Bonds" means those Bonds issued under the Resolution as to which interest is compounded periodically on each of the applicable periodic dates designated for compounding and is payable in an amount equal to the then current Accreted Value at the maturity, earlier redemption or other payment date thereof, and which may be either Serial Bonds or Term Bonds, all as determined pursuant to a subsequent resolution of the Division of Bond Finance.

"Code" means the Internal Revenue Code of 1986, as amended, and temporary, proposed or permanent implementing regulations promulgated thereunder.

"Current Expenses" means and include all necessary operating expenses, commissions, current maintenance charges, expenses of reasonable upkeep and repairs, and all other expenses of the Board of Governors or the University incident to the normal operation and maintenance of the Housing System but shall exclude depreciation, all general administrative expenses of the Board of Governors or the University, the expenses of operation or maintenance of auxiliary facilities the revenues of which are not pledged as security for the Bonds and the payments into the Housing System Maintenance and Equipment Reserve Fund hereinafter provided for.

"Division of Bond Finance" means the Division of Bond Finance of the State Board of Administration of Florida.

"Federal Obligations" means direct obligations of the United States of America, Resolution Funding Corporation ("REFCORP") interest strips, or direct non-prepayable obligations the principal and interest on which are unconditionally guaranteed as to full and timely payment by the United States of America, none of which permit redemption prior to maturity at the option of the obligor. Federal Obligations shall not mean unit investment trusts or mutual funds.

"Fiscal Year" means the period beginning with and including July 1 of each year and ending with and including the next June 30.

"Governing Board" means the Governor and Cabinet of the State as the governing board of the Division of Bond Finance of the State Board of Administration of Florida.

"Housing System" shall, upon the defeasance of the Refunded Bonds, mean the housing system on the campuses of the University which shall include the following:

(1) the North Campus Apartments,
(2) the University Park Apartments,
(3) Panther Hall,
(4) University Park Towers,
(5) Everglades Hall,

(6) Lakeview Hall,
(7) Parkview Hall, and
(8) such additional facilities as at some future date maybe added to the Housing System.

"Housing System Revenues" means all fees, rentals or other charges and income received by the University from students, faculty members, tenants and others using or being served by or having the right to use, or having the right to be served by, the Housing System, and all parts thereof, without any deductions, and specifically including, without limiting the generality of the foregoing, room rental income, and any special rental fees or charges for services or space provided.

"Interest Payment Date" means, for each Series of Bonds, the dates of each Fiscal Year on which interest on the Outstanding Bonds of such Series is payable, as provided for pursuant to a subsequent resolution of the Division of Bond Finance.

"Maximum Annual Debt Service" means, at any time, the maximum amount (with respect to the particular Series of Bonds Outstanding, or all Bonds Outstanding, as the case may be), required to be deposited into the Sinking Fund during the then current or any succeeding Fiscal Year. In the calculation of Maximum Annual Debt Service, any interest, principal, or Amortization Installment payable on July 1 of any Fiscal Year shall be deemed payable in the prior Fiscal Year. The amount of Term Bonds maturing in any Fiscal Year, excluding the Amortization Installment due in the year of maturity, shall not be included as part of the Amortization Installment in determining the Maximum Annual Debt Service for that Fiscal Year.

"Outstanding" means, as of any date of determination, all Bonds theretofore authenticated and delivered except:

(i) Bonds theretofore canceled by the Bond Registrar/Paying Agent or delivered to the Bond Registrar/Paying Agent for cancellation;

(ii) Bonds which are deemed paid and defeased and no longer Outstanding as provided herein;

(iii) Bonds in lieu of which other Bonds have been issued pursuant to the provisions hereof relating to Bonds destroyed, stolen or lost, unless evidence satisfactory to the Bond Registrar/Paying Agent has been received that any such Bond is held by a bona fide purchaser; and

(iv) For purposes of any consent or other action to be taken hereunder by the Registered Owners of a specified percentage of principal amount of Bonds, Bonds held by or for the account of the Division of Bond Finance or the Board of Regents.

(v) Bonds with respect ot which debt service has been paid pursuant to a Bond Insurance Policy, to the extent that the amount of such payment has been reimbursed to the issuer of such Bond Insurance Policy (or monies have been deposited to defease such payments).

"Original Resolution" means the resolution adopted on June 9, 1998, as amended by a resolution adopted on September 23, 1998 by the Governor and Cabinet as the Governing Board of the Division of Bond Finance authorizing the issuance of the State of Florida, Board of Regents, Florida International University Housing Facility Revenue Bonds, Series 1998.

"Outstanding Bonds" means the Outstanding 2004A Bonds, the Outstanding 2011A Bonds, and the Outstanding 2012A Bonds.

"Pledged Revenues" means the Housing System Revenues after deducting the Current Expenses and the Administrative Expenses.

"Principal Payment Date" means, for each Series of Bonds, the dates during each Fiscal Year on which principal of the Outstanding Bonds of such Series is payable, as provided for pursuant to a subsequent resolution of the Division of Bond Finance.

"Rating Agency" means a nationally recognized bond rating agency.

"Rebate Amount" means the excess of the amount earned on all nonpurpose investments (as defined in Section 148(f)(6) of the Code) over the amount which would have been earned if such nonpurpose investments were invested at a rate equal to the yield on the Bonds, plus any income attributable to such excess.

"Rebate Fund" means the Rebate Fund created and established pursuant to Section 6.04 of the Resolution.

"Record Date" means with respect to each Series of Bonds, the 15th day of the calendar month next preceding the month of an Interest Payment Date.

"Refunded Bonds" means the Outstanding State of Florida, Florida Education System, Florida International University Housing Facility Revenue Bonds, Series 2004A, to be refunded by the Refunding Bonds.

"Refunding Bonds" means the State of Florida, Board of Governors, Florida International University Dormitory Revenue Refunding Bonds, Series 2015A.

"Registered Owner" means the owner of any Bond or Bonds as shown on the registration books kept by the Bond Registrar/Paying Agent.

"Reserve Account" means the account within the Sinking Fund created pursuant to Section 4.02(A)(2) of the Resolution.

"Reserve Account Credit Facility" means a Reserve Account Insurance Policy, Reserve Account Letter of Credit or other comparable insurance or financial product, if any, deposited into the Reserve Account in lieu of or in partial substitution for cash or securities otherwise required to be on deposit therein. The provider of such Reserve Account Credit Facility other than a Reserve Account Insurance Policy or a Reserve Account Letter of Credit shall be rated in one of the two highest full rating categories of a Rating Agency.

"Reserve Account Insurance Policy" means the insurance policy, surety bond or other acceptable evidence of insurance, if any, deposited into the Reserve Account, in lieu of or in partial substitution for cash or securities otherwise required to be on deposit therein. The provider of such Reserve Account Insurance Policy shall be assigned one of the two highest policyholder ratings accorded insurers by A.M. Best & Company or any comparable service.

"Reserve Account Letter of Credit" means the irrevocable, transferable letter of credit, if any, deposited into the Reserve Account, in lieu of or in partial substitution for cash or securities otherwise required to be on deposit therein. The provider of such letter of credit shall be a banking association, bank or trust company or branch thereof whose letter of credit results in a rating of municipal obligations secured by such letter of credit being in one of the two highest full rating categories of a Rating Agency.

"Reserve Requirement" means, as of any date of calculation with respect to all Bonds issued hereunder, an amount to be determined pursuant to resolution of the Governing Board, which amount shall not exceed the lesser of (1) the Maximum Annual Debt Service on the Bonds, (2) 125% of the average annual debt service of the Bonds for the then current and succeeding Fiscal Years, (3) 10% of the par amount of the Bonds, or (4) the maximum debt service reserve permitted with respect to tax-exempt obligations and applicable to the Bonds under the Code.

"Resolution" means the original resolution adopted on June 9, 1998, as amended by a resolution adopted on September 23, 1998, as further amended by the Second Supplemental Resolution, the Fourth Supplemental Resolution and the Sixth Supplemental Resolution, and as supplemented by the Seventh Supplemental Resolution, by the Governor and Cabinet as the Governing Board of the Division of Bond Finance.

"Revenue Fund" means the Florida International University Housing Facility Revenue Fund created and established pursuant to Section 4.02 of the Resolution.

"Serial Bonds" means the Bonds of a Series which shall be stated to mature in periodic installments.

"Series" or **"Series of Bonds"** means all of the Bonds authenticated and delivered on original issuance pursuant to the Original Resolution or any supplemental resolution authorizing such Bonds as a separate Series of Bonds, or any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article II of the Resolution, regardless of variations in maturity, interest rate or other provisions.

"Seventh Supplemental Resolution" means a resolution expected to be adopted March 10, 2015, by the Governing Board of the Division of Bond Finance, authorizing the issuance and sale of not exceeding $32,000,000 State of Florida, Board of Governors, Florida International University Dormitory Revenue Refunding Bonds.

"Sinking Fund" means the Florida International University Housing Facility Sinking Fund created and established pursuant to Section 4.02(A)(2) of the Original Resolution.

"State" means the State of Florida.

"State Bond Act" means Sections 215.57-215.83, Florida Statutes, as amended from time to time.

"Term Bonds" means the Bonds of a Series which shall be subject to mandatory redemption prior to maturity and shall be stated to mature on one date and for which Amortization Installments are required to be made into the Sinking Fund, hereinafter created, as may be determined pursuant to a subsequent resolution of the Division of Bond Finance.

"University" means the Florida International University.

Where the context so requires, words importing singular number shall include the plural number in each case and vice versa, words importing persons shall include firms and corporations, and the masculine includes the feminine and vice versa.

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(The following Original Resolution adopted on June 9, 1998 reflects amendments made by a resolution adopted on September 23, 1998.)

A RESOLUTION AUTHORIZING THE ISSUANCE OF NOT EXCEEDING $29,140,000 STATE OF FLORIDA, BOARD OF REGENTS, FLORIDA INTERNATIONAL UNIVERSITY HOUSING FACILITY REVENUE BONDS, SERIES 1998, TO FINANCE THE CONSTRUCTION OF A STUDENT HOUSING COMPLEX AND SUPPORT SERVICES FACILITY AT THE FLORIDA INTERNATIONAL UNIVERSITY; PROVIDING FOR CERTAIN COVENANTS IN CONNECTION THEREWITH AND PROVIDING FOR AN EFFECTIVE DATE.

BE IT RESOLVED BY THE GOVERNOR AND CABINET OF THE STATE OF FLORIDA, AS THE GOVERNING BOARD OF THE DIVISION OF BOND FINANCE OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA ON BEHALF OF AND IN THE NAME OF THE BOARD OF REGENTS OF THE DIVISION OF UNIVERSITIES OF THE STATE OF FLORIDA DEPARTMENT OF EDUCATION;

ARTICLE I
AUTHORITY AND DEFINITIONS

SECTION 1.01. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the provisions of Article VII, Section 11(d) of the Florida Constitution; Sections 215.57-215.83, Florida Statutes; Chapters 240 and 243, Florida Statutes, and other applicable provisions of law.

SECTION 1.02. DEFINITIONS. The following terms shall have the following meanings in this Resolution unless the text otherwise requires:

"Accreted Value" shall mean, as of any date of computation with respect to any Capital Appreciation Bond, an amount equal to the principal amount of such Capital Appreciation Bond at its initial offering plus the accrued interest on such Capital Appreciation Bond from the date of delivery to the original purchasers thereof to the Interest Payment Date next preceding the date of computation or to the date of computation if such date is an Interest Payment Date, such interest to accrue at a rate per annum determined pursuant to a subsequent resolution of the Division of Bond Finance (not to exceed the maximum rate permitted by law), compounded periodically, plus, with respect to matters related to the payment upon redemption of the Capital Appreciation Bond, if such date of computation shall not be an Interest Payment Date, the ratable portion of the difference between the Accreted Value as of the immediately preceding Interest Payment Date (or the date of delivery of the Bonds to the original purchasers thereof if the date of computation is prior to the first Interest Payment Date succeeding the date of delivery) and the Accreted Value as of the immediately succeeding Interest Payment Date, calculated based on the assumption that Accreted Value accrues during any period in equal daily amounts on the basis of a year of twelve 30-day months.

"Additional Bonds" shall mean any obligations hereafter issued pursuant to the terms and conditions of this Resolution and payable from the Pledged Revenues on a parity with the 1998 Bonds originally issued hereunder. Such Additional Bonds shall be deemed to have been issued pursuant to this Resolution the same as the Bonds originally authorized and issued pursuant to this Resolution, and all of the applicable covenants and other provisions of this Resolution (except as to details of such Additional Bonds inconsistent herewith), shall be for the equal benefit, protection and security of the Registered Owners of the Bonds originally authorized and issued pursuant to this Resolution, and the Registered Owners of any Additional Bonds evidencing additional obligations subsequently issued within the limitations of and in compliance with this Resolution. All of such Additional Bonds, regardless of the time or times of their issuance, shall rank equally with other Bonds with respect to their lien on and source and security for payment from the Pledged Revenues without preference or priority of any Bonds over any other. Additional Bonds shall also include any outstanding indebtedness previously issued with respect to any facility which is being added to the Housing System and which is secured by the revenue of such facility.

"Administrative Expenses" shall mean, with respect to the Bonds or the administration of any funds under this Resolution, to the extent applicable: (i) fees or charges, or both, of the Board of Administration and the Division of Bond Finance; and (ii) such other fees or charges, or both, as may be approved by the Board of Administration or the

Division of Bond Finance, including but not limited to those relating to tax law compliance, disclosure of information, paying agents, rating agencies and providers of credit enhancement; all as may be determined from time to time as necessary.

"Amortization Installment" shall mean an amount so designated which is established for the Term Bonds of each Series; provided that each such Amortization Installment shall be deemed due upon the date provided pursuant to a subsequent resolution adopted by the Division of Bond Finance and the aggregate of such Amortization Installments for each Series shall equal the aggregate principal of the Term Bonds.

"Annual Debt Service Requirement" shall mean, at any time, the amount of money required to pay the interest, principal and Amortization Installment in each Fiscal Year, provided that any interest, principal, or Amortization Installment payable on July 1 of any Fiscal Year shall be deemed payable in the prior Fiscal Year.

"Board of Administration" shall mean the State Board of Administration, as created pursuant to the provisions of Article XII, Section 9, Florida Constitution and Chapter 215, Florida Statutes.

"Board of Regents" shall mean the Board of Regents of the Division of Universities of the State of Florida Department of Education, as created pursuant to the provisions of Chapter 240, Florida Statutes.

"Bond Insurance Policy" shall mean an insurance policy issued for the benefit of the Registered Owners of any Bond, pursuant to which the issuer of such insurance policy shall be obligated to pay when due the principal of and interest on such Bond to the extent of any deficiency in the amounts in the funds and accounts held under this Resolution, in the manner and in accordance with the terms provided in such Bond Insurance Policy.

"Bond Registrar/Paying Agent" shall mean State Street Bank and Trust Company, N.A., New York, New York, or its successor bond registrar or paying agent, as applicable.

"Bonds" shall mean the 1998 Bonds and any Additional Bonds.

"Bond Year" shall mean, with respect to a particular Series of Bonds issued hereunder, the annual period relevant to the application of Section 148(f) of the Code to the Series of Bonds, except that the first and last Bond Years may be less than 12 months long. The last day of a Bond Year shall be the close of business on the day preceding the anniversary of the date of issuance of the Series unless the Division selects another date on which to end a Bond Year in the manner permitted by the Code.

"Capital Appreciation Bonds" shall mean those Bonds issued under this Resolution as to which interest is compounded periodically on each of the applicable periodic dates designated for compounding and is payable in an amount equal to the then current Accreted Value at the maturity, earlier redemption or other payment date thereof, and which may be either Serial Bonds or Term Bonds, all as determined pursuant to a subsequent resolution of the Division of Bond Finance.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and temporary, proposed or permanent implementing regulations promulgated thereunder.

"Completion Bonds" shall mean those Bonds issued to pay the cost of completing any project being financed by the issuance of Bonds and meeting the requirements of Section 5.04 of this Resolution.

"Current Expenses" shall mean and include all necessary operating expenses, commissions, current maintenance charges, expenses of reasonable upkeep and repairs, and all other expenses of the Board of Regents or the University incident to the normal operation and maintenance of the Housing System but shall exclude depreciation, all general administrative expenses of the Board of Regents or the University, the expenses of operation or maintenance of auxiliary facilities the revenues of which are not pledged as security for the Bonds and the payments into the Housing System Maintenance and Equipment Reserve Fund hereinafter provided for.

"Defeasance Obligations" shall mean, to the extent permitted by law, direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States and including advance refunded tax-exempt bonds fully secured by non-callable direct obligations of the United States of America, non-callable obligations guaranteed by the United States of America, or "stripped" interest payment obligations of debt obligations of the Resolution Funding Corporation.

"Division of Bond Finance" shall mean the Division of Bond Finance of the State Board of Administration of Florida.

"Excess Existing Housing Facilities Revenues" shall mean, as of September 30 in each year, the net operating income of the Existing Housing Facilities after payment of the amounts due by the University to the Dade County Educational Facilities Authority pursuant to the loan agreement dated October 15, 1993 between the University and the Dade County Educational Facilities Authority with respect to the Outstanding Obligations.

"Existing Housing Facilities" shall mean the existing housing facilities on the campuses of the University the revenues of which are pledged to the repayment of the Outstanding Obligations, which include the Bay Vista Housing Complex on the North Campus in North Miami, and the University Park Apartment Complex and Panther Hall, both on the University Park Campus.

"Fiscal Year" shall mean the period beginning with and including July 1 of each year and ending with and including the next June 30.

"Governing Board" shall mean the Governor and Cabinet of the State as the governing board of the Division of Bond Finance of the State Board of Administration of Florida.

"Housing System" shall mean the housing system on the campus of the University which is hereby defined as and shall include the following:

(1) the 1998 Project;

(2) the North Campus Apartment Complex, when completed, to be constructed on the North Miami Campus from other moneys available to the University; and

(3) such additional facilities as at some future date may be added to the Housing System.

"Housing System Maintenance and Equipment Reserve Fund" shall mean the fund required to be created pursuant to Section 4.02(A)(3) hereof.

"Housing System Revenues" shall mean all fees, rentals or other charges and income received by the University from students, faculty members, tenants and others using or being served by or having the right to use, or having the right to be served by, the Housing System, and all parts thereof, without any deductions, and specifically including, without limiting the generality of the foregoing, room rental income, and any special rental fees or charges for services or space provided.

"Interest Payment Date" shall mean, for each Series of Bonds, the dates of each Fiscal Year on which interest on the Outstanding Bonds of such Series is payable, as provided for pursuant to a subsequent resolution of the Division of Bond Finance.

"Maximum Annual Debt Service" shall mean, at any time, the maximum amount (with respect to the particular Series of Bonds Outstanding, or all Bonds Outstanding, as the case may be), required to be deposited into the Sinking Fund during the then current or any succeeding Fiscal Year. In the calculation of Maximum Annual Debt Service, any interest, principal, or Amortization Installment payable on July 1 of any Fiscal Year shall be deemed payable in the prior Fiscal Year. The amount of Term Bonds maturing in any Fiscal Year, excluding the Amortization Installment due in the year of maturity, shall not be included as part of the Amortization Installment in determining the Maximum Annual Debt Service for that Fiscal Year.

"1998 Bonds" shall mean the not exceeding $29,140,000 State of Florida, Board of Regents, Florida International University Housing Facility Revenue Bonds, Series 1998.

"1998 Project" shall mean the student housing complex and support services facilities on the campus of the Florida International University as previously approved by the Board of Regents and by the Florida Legislature in the

Conference Committee Report on HB 4201, and subject to any deletions, modifications, or substitutions deemed necessary and expedient and approved by resolution of the Board of Regents.

"1998 Project Construction Fund" shall mean a trust fund in which shall be deposited the net proceeds of the 1998 Bonds and other available moneys for the construction of the 1998 Project.

"Outstanding" shall mean, as of any date of determination, all Bonds theretofore authenticated and delivered except:

(i) Bonds theretofore canceled by the Bond Registrar/Paying Agent or delivered to the Bond Registrar/Paying Agent for cancellation;

(ii) Bonds which are deemed paid and defeased and no longer Outstanding as provided herein;

(iii) Bonds in lieu of which other Bonds have been issued pursuant to the provisions hereof relating to Bonds destroyed, stolen or lost, unless evidence satisfactory to the Bond Registrar/Paying Agent has been received that any such Bond is held by a bona fide purchaser; and

(iv) For purposes of any consent or other action to be taken hereunder by the Registered Owners of a specified percentage of principal amount of Bonds, Bonds held by or for the account of the Division of Bond Finance or the Board of Regents.

"Outstanding Obligations" shall mean the $29,345,000 Dade County Educational Facilities Authority Revenue and Revenue Refunding Bonds, Series 1993 (Florida International University Project), dated October 15, 1993 which are payable from the net operating income of the Existing Housing Facilities. Outstanding Obligations shall also include obligations issued to refund Outstanding Obligations which do not result in any greater annual debt service requirements on the Outstanding Obligations and which mature not later than the Outstanding Obligations.

"Pledged Revenues" shall mean (1) the Housing System Revenues after deducting the Current Expenses and the Administrative Expenses, and, (2) the Excess Existing Housing Facilities Revenues, if any.

"Principal Payment Date" shall mean, for each Series of Bonds, the dates during each Fiscal Year on which principal of the Outstanding Bonds of such Series is payable, as provided for pursuant to a subsequent resolution of the Division of Bond Finance.

"Project Costs" shall mean the actual costs of the 1998 Project, including costs of design and construction; materials, labor, equipment and apparatus; sitework and landscaping; interest on the Bonds for a reasonable period after the date of delivery thereof, if necessary; an amount sufficient to establish adequate reserves; architectonic and engineering fees; legal fees; reimbursement for prior authorized expenditures; and fees and expenses of the Division of Bond Finance, the Board of Administration, the University, or the Board of Regents necessary for the renovation and placing in operation of the 1998 Project and the financing thereof.

"Rating Agency" shall mean a nationally recognized bond rating agency.

"Rebate Amount" shall mean the excess of the amount earned on all nonpurpose investments (as defined in Section 148(f)(6) of the Code) over the amount which would have been earned if such nonpurpose investments were invested at a rate equal to the yield on the Bonds, plus any income attributable to such excess.

"Rebate Fund" shall mean the Rebate Fund created and established pursuant to Section 6.04 of this Resolution.

"Record Date" shall mean with respect to each Series of Bonds, the 15th day of the calendar month next preceding the month of an Interest Payment Date.

"Registered Owner" shall mean the owner of any Bond or Bonds as shown on the registration books kept by the Bond Registrar/Paying Agent.

"Reserve Account" shall mean the account within the Sinking Fund created pursuant to Section 4.02(A)(2) of this Resolution.

"Reserve Account Credit Facility" shall mean a Reserve Account Insurance Policy, Reserve Account Letter of Credit or other comparable insurance or financial product, if any, deposited into the Reserve Account in lieu of or in partial substitution for cash or securities otherwise required to be on deposit therein. The provider of such Reserve Account Credit Facility other than a Reserve Account Insurance Policy or a Reserve Account Letter of Credit shall be rated in one of the two highest full rating categories of a Rating Agency.

"Reserve Account Insurance Policy" shall mean the insurance policy, surety bond or other acceptable evidence of insurance, if any, deposited into the Reserve Account, in lieu of or in partial substitution for cash or securities otherwise required to be on deposit therein. The provider of such Reserve Account Insurance Policy shall be assigned one of the two highest policyholder ratings accorded insurers by A.M. Best & Company or any comparable service.

"Reserve Account Letter of Credit" shall mean the irrevocable, transferable letter of credit, if any, deposited into the Reserve Account, in lieu of or in partial substitution for cash or securities otherwise required to be on deposit therein. The provider of such letter of credit shall be a banking association, bank or trust company or branch thereof whose letter of credit results in a rating of municipal obligations secured by such letter of credit being in one of the two highest full rating categories of a Rating Agency.

"Reserve Requirement" shall mean, as of any date of calculation with respect to all Bonds issued hereunder, an amount to be determined pursuant to resolution of the Governing Board, which amount shall not exceed the lesser of (1) the Maximum Annual Debt Service on the Bonds, (2) 125% of the average annual debt service of the Bonds for the then current and succeeding Fiscal Years, (3) 10% of the par amount of the Bonds, or (4) the maximum debt service reserve permitted with respect to tax-exempt obligations and applicable to the Bonds under the Code.

"Resolution" shall mean this resolution adopted by the Governor and Cabinet as the Governing Board of the Division of Bond Finance.

"Revenue Fund" shall mean the Florida International University Housing Facility Revenue Fund created and established pursuant to Section 4.02 of this Resolution.

"Serial Bonds" shall mean the Bonds of a Series which shall be stated to mature in periodic installments.

"Series" or **"Series of Bonds"** shall mean all of the Bonds authenticated and delivered on original issuance pursuant to this Resolution or any supplemental resolution authorizing such Bonds as a separate Series of Bonds, or any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article II hereof, regardless of variations in maturity, interest rate or other provisions.

"Sinking Fund" shall mean the Florida International University Housing Facility Sinking Fund created and established pursuant to Section 4.02(A)(2) of this Resolution.

"State" shall mean the State of Florida.

"State Bond Act" shall mean Sections 215.57-215.83, Florida Statutes, as amended from time to time.

"Term Bonds" shall mean the Bonds of a Series which shall be subject to mandatory redemption prior to maturity and shall be stated to mature on one date and for which Amortization Installments are required to be made into the Sinking Fund, hereinafter created, as may be determined pursuant to a subsequent resolution of the Division of Bond Finance.

"University" shall mean the Florida International University.

Where the context so requires, words importing singular number shall include the plural number in each case and vice versa, words importing persons shall include firms and corporations, and the masculine includes the feminine and vice versa.

SECTION 1.03. RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the acceptance of the Bonds by those who shall be Registered Owners of the same from time to time, this Resolution shall be deemed to be and shall constitute a contract among the Division of Bond Finance, the Board of Regents, the University and such Registered Owners. The covenants and agreements to be performed by the Board of Regents and the University shall be for the equal benefit, protection, and security of the Registered Owners of any and all of the Bonds, as defined herein, all of which shall be of equal rank and without preference, priority, or distinction as to any of such Bonds over any other thereof, except as expressly provided therein and herein.

ARTICLE II
AUTHORIZATION, TERMS, EXECUTION, REGISTRATION, TRANSFER AND ISSUANCE OF BONDS

SECTION 2.01. AUTHORIZATION OF 1998 BONDS. Subject and pursuant to the provisions of this Resolution, fully registered revenue bonds of the Board of Regents of the Division of Universities of the State of Florida Department of Education to be known as "State of Florida, Board of Regents, Florida International University Housing Facility Revenue Bonds, Series 1998" (or such other designation as may be determined by the Director of the Division of Bond Finance), are hereby authorized to be issued by the Division of Bond Finance on behalf of the Board of Regents in an aggregate principal amount not exceeding Twenty Nine Million One Hundred Forty Thousand Dollars ($29,140,000), for the purpose of financing all or a portion of the cost of the 1998 Project.

SECTION 2.02. DESCRIPTION OF BONDS; PAYMENT OF PRINCIPAL AND INTEREST. Unless otherwise specified by the Division in a subsequent resolution, the Bonds shall be payable, with respect to interest, principal and premium, if any, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and shall be issued in the form of fully registered Bonds without coupons. The Bonds shall be dated; shall bear interest, which may be fixed or variable, at a rate not exceeding the rate permitted by law; shall be numbered consecutively from one upward; shall be in denominations and shall mature on such dates, in such years and in such amounts, all as determined pursuant to subsequent resolution of the Division.

The Bonds may be sold at one time or in Series from time to time as the Division of Bond Finance may determine pursuant to resolution. If issued in Series, each Series shall be dated and have an identifying number or letter. All of such Bonds, when issued, will rank equally as to source and security for payment. The principal amount of the Bonds shall be paid to the Registered Owner on the maturity date of the Bonds, unless redeemed prior thereto as determined pursuant to a subsequent resolution of the Division, upon presentation and surrender of the Bonds at the corporate trust office of the Bond Registrar/Paying Agent.

Interest shall be paid on the Interest Payment Dates to the Registered Owner whose name appears on the books of the Bond Registrar/Paying Agent as of 5:00 p.m. (local time, New York, New York) on the Record Date next preceding such Interest Payment Date; provided, however, that if the Record Date is a Saturday, Sunday or holiday, then to the Registered Owner and at the address shown on the registration books at the close of business on the day next preceding such Record Date which is not a Saturday, Sunday or holiday. However, Capital Appreciation Bonds shall bear interest as described under the defined term Accreted Value, payable only upon redemption, acceleration or maturity thereof. Interest on the Bonds shall be paid by check or draft mailed on each Interest Payment Date (or transferred by a mode at least equally as rapid as mailing) from the Bond Registrar/Paying Agent to the Registered Owner, or in certain cases shall be paid by wire transfer as provided pursuant to subsequent resolution of the Division.

SECTION 2.03. BONDS MAY BE ISSUED AS SERIAL BONDS, TERM BONDS, ETC. The Bonds may be issued as, or as a combination of, Serial Bonds, Term Bonds, Capital Appreciation Bonds or such other type of bonds as shall be determined pursuant to a subsequent resolution of the Division of Bond Finance.

SECTION 2.04. PRIOR REDEMPTION OF THE BONDS. The Bonds of each Series may be made redeemable in such manner and upon such terms and conditions as provided in this Resolution and in the Notice of Bond Sale for such Series, provided that the Director or the Secretary or an Assistant Secretary of the Governing Board is authorized to amend the redemption provisions of the Bonds in such manner as such official may determine to be in the best interest of the State.

Unless waived by any Registered Owner of Bonds to be redeemed, a notice of the redemption prior to maturity of any of the Bonds shall be mailed by first class mail (postage prepaid) at least thirty days prior to the date of redemption to the Registered Owner of the Bonds to be redeemed, of record on the books of the Bond Registrar, as of forty-five days prior to the date of redemption. Such notice of redemption shall specify the CUSIP number and the serial or other distinctive numbers or letters of the Bonds to be redeemed, if less than all, the date fixed for redemption, the redemption price thereof and, in the case of Bonds to be redeemed in part only, the principal amount thereof to be redeemed. Failure to give any such notice by mailing to any Registered Owner of Bonds, or any defect therein, shall not affect the validity of the proceedings for the redemption of any Bond or portion thereof with respect to which no such failure has occurred. Any notice mailed as provided above shall be conclusively presumed to have been given, whether or not the Registered Owner of such Bond receives such notice.

The Bond Registrar/Paying Agent shall not be required to issue, transfer or exchange of any of the Bonds on a Record Date.

Notice having been given in the manner and under the conditions hereinabove provided, the Bonds or portions of Bonds so called for redemption shall, on the redemption date designated in such notice, become and be due and payable at the redemption price provided for redemption of such Bonds or portions of Bonds on such date. On the date so designated for redemption, notice having been given and moneys for payment of the redemption price being held in separate accounts by an escrow agent, the Board of Administration, or the Bond Registrar/Paying Agent, in trust for the Registered Owners of the Bonds or portions thereof to be redeemed, all as provided in this Resolution, interest on the Bonds or portions of Bonds so called for redemption shall cease to accrue, such Bonds and portions of Bonds shall cease to be Outstanding under the provisions of this Resolution and shall not be entitled to any lien, benefit or security under this Resolution, and the Registered Owners of such Bonds or portions of Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof from the moneys held in trust for the payment thereof and, to the extent provided herein to receive Bonds for any unredeemed portion of the Bonds. Any and all Bonds redeemed prior to maturity shall be duly canceled by the Bond Registrar/Paying Agent and shall not be reissued.

In addition to the foregoing notice, further notice shall be given by the Bond Registrar/Paying Agent as set out below, but no defect in said further notice nor any failure to give all or a portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above.

(a) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (i) the CUSIP numbers of all Bonds being redeemed; (ii) the date of issue of the Bonds as originally issued; (iii) the rate of interest borne by each Bond being redeemed; (iv) the maturity date of each Bond being redeemed; (v) the publication date of the official notice of redemption; (vi) the name and address of the Bond Registrar/Paying Agent; and (vii) any other descriptive information needed to identify accurately the Bonds being redeemed.

(b) Each further notice of redemption shall be sent at least thirty-five days before the redemption date by certified mail or overnight delivery service or telecopy to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds (such depositories now being The Depository Trust Company, New York, New York, and Philadelphia Depository Trust Company, Philadelphia, Pennsylvania) and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

(c) Each further notice of redemption shall be published one time in *The Bond Buyer* of New York, New York or in some other financial newspaper or journal which regularly carries notices of redemption of other obligations similar to the Bonds, such publication to be made at least thirty days prior to the date fixed for redemption.

(d) Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying the Bonds redeemed with the proceeds of such check or other transfer.

In case part but not all of an Outstanding Bond shall be selected for redemption, the Registered Owner thereof shall present and surrender such Bond to the Bond Registrar/Paying Agent for payment of the principal amount thereof so called for redemption, and the Bond Registrar/Paying Agent shall execute and deliver to or upon the order of such Registered Owner, without charge therefor, for the unredeemed balance of the principal amount of the Bond so surrendered, a Bond or Bonds fully registered as to principal and interest.

SECTION 2.05. EXECUTION OF BONDS. The Bonds shall be executed in the name of the Board of Regents by its Chairman, and attested to by its Vice-Chairman, or such other authorized member of the Board of Regents, and the corporate seal of the Board of Regents or a facsimile thereof shall be affixed thereto or reproduced thereon. Any of the signatures required hereinabove may be a facsimile signature imprinted or reproduced on the Bonds. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the Board of Regents before the Bonds so signed and sealed shall have been actually sold and delivered, the Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office.

A certificate as to validation, if any, in the form hereinafter provided, shall be executed with the facsimile signature of any present or future Chairman of the Governing Board.

A certificate as to the approval of the issuance of the Bonds pursuant to the provisions of the State Bond Act, in the form provided herein, shall be executed by the facsimile signature of the Comptroller of the State of Florida, as Secretary of the Governing Board of the Division of Bond Finance.

SECTION 2.06. NEGOTIABILITY. The Bonds shall have all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code - Investment Securities Law of the State of Florida. The original Registered Owner and each successive Registered Owner of any of the Bonds shall be conclusively deemed by the acceptance thereof to have agreed that the Bonds shall be and have all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code - Investment Securities Law of the State of Florida.

SECTION 2.07. REGISTRATION AND TRANSFER. The Bonds shall be issued only as fully registered bonds without coupons. The Bond Registrar/Paying Agent shall be responsible for maintaining the books for the registration of and for the transfer of the Bonds in compliance with its agreement with the State.

Upon surrender to the Bond Registrar/Paying Agent for transfer or exchange of any Bond, duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his attorney duly authorized in writing, the Bond Registrar/Paying Agent shall deliver in the name of the transferee or transferees a fully registered Bond or Bonds of authorized denominations of the same maturity for the aggregate principal amount which the Registered Owner is entitled to receive.

All Bonds presented for transfer, exchange, redemption or payment shall be accompanied (if so required by the Division of Bond Finance or the Bond Registrar/Paying Agent) by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Division of Bond Finance and the Bond Registrar/Paying Agent, duly executed by the Registered Owner or by his duly authorized attorney.

Neither the Division of Bond Finance nor the Bond Registrar/Paying Agent may charge the Registered Owner or his transferee for any expenses incurred in making any exchange or transfer of the Bonds. However, the Division of Bond Finance and the Bond Registrar/Paying Agent may require payment from the Registered Owner of a sum sufficient to cover any tax, fee, or other governmental charge that may be imposed in relation thereto. Such governmental charges and expenses shall be paid before any such new Bond shall be delivered.

New Bonds delivered upon any transfer or exchange shall be valid obligations of the Board of Regents evidencing the same debt as the Bonds surrendered, shall be secured by this Resolution, and shall be entitled to all of the security and benefits hereof to the same extent as the Bonds surrendered.

The Board of Regents and the Bond Registrar/Paying Agent may treat the Registered Owner of any Bond as the absolute owner thereof for all purposes, whether or not such Bond shall be overdue, and shall not be bound by any notice to the contrary.

Notwithstanding the foregoing provisions of this section, the Division of Bond Finance reserves the right, on or prior to the delivery of the Bonds, to amend or modify the foregoing provisions relating to registration of the Bonds in order to comply with all applicable laws, rules, and regulations of the United States and the State of Florida relating thereto.

SECTION 2.08. AUTHENTICATION. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Resolution unless and until a certificate of authentication on such Bond substantially in the form herein set forth shall have been duly executed by the manual signature of the Bond Registrar/Paying Agent, and such executed certificate of the Bond Registrar/Paying Agent upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Resolution. The Bond Registrar/Paying Agent's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer or signatory of the Bond Registrar/Paying Agent, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all of the Bonds issued hereinafter.

SECTION 2.09. DISPOSITION OF BONDS PAID OR EXCHANGED. Whenever any Bond shall be delivered to the Bond Registrar/Paying Agent for cancellation, upon payment of the principal amount thereof or for replacement or transfer or exchange, such Bond shall either be canceled and retained by the Bond Registrar/Paying Agent for a period of time specified in writing by the Division of Bond Finance or the Board of Administration, or, at the option of the Division of Bond Finance or the Board of Administration, shall be canceled and destroyed by the Bond Registrar/Paying Agent and counterparts of a certificate of destruction evidencing such destruction shall be furnished to the Division of Bond Finance or the Board of Administration.

SECTION 2.10. BONDS MUTILATED, DESTROYED, STOLEN OR LOST. In case any Bond shall become mutilated, or be destroyed, stolen or lost, the Division of Bond Finance may in its discretion issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen, or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Registered Owner furnishing the Division of Bond Finance proof of ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Division of Bond Finance may prescribe and paying such expense as the Division of Bond Finance may incur. All Bonds so surrendered shall be canceled by the Bond Registrar/Paying Agent. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Division of Bond Finance may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bond issued pursuant to this section shall constitute original, additional, contractual obligations on the part of the Board of Regents, whether or not the lost, stolen or destroyed Bond be at any time found by anyone and such duplicate Bond shall be entitled to equal and proportionate benefits and rights as to lien, source and security for payment, pursuant to this Resolution from the Pledged Revenues.

SECTION 2.11. FORM OF BONDS. The text of the Bonds, together with the validation certificate to be endorsed thereon, shall be substantially of the following tenor, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Resolution or any subsequent resolution adopted prior to the issuance thereof:

(Form of Bond intentionally omitted)

ARTICLE III
AUTHORITY TO CONSTRUCT THE 1998 PROJECT;
APPLICATION OF PROCEEDS;
INVESTMENT OF 1998 PROJECT CONSTRUCTION FUND

SECTION 3.01. AUTHORITY TO CONSTRUCT THE 1998 PROJECT. The Board of Regents is authorized to cause the completion of the 1998 Project from the proceeds derived from the sale of the 1998 Bonds and other legally available funds, subject to the provisions of this Resolution and the applicable laws of the State.

SECTION 3.02. APPLICATION OF 1998 BOND PROCEEDS. Upon receipt of the proceeds of the sale of the 1998 Bonds, and after reserving an amount sufficient to pay all costs and expenses incurred in connection with the preparation, issuance and sale of the 1998 Bonds, including a reasonable charge for the Division of Bond Finance's services, including arbitrage compliance program set-up, the Division of Bond Finance shall transfer and deposit the remainder of the 1998 Bond proceeds as follows:

(1) An amount which, together with other moneys available therefor and on deposit in the Reserve Account, is equal to the Reserve Requirement shall be transferred to the Board of Administration and deposited into the Reserve Account in the Sinking Fund to be used solely for the purpose of the Reserve Account. Alternatively, the Division of Bond Finance, as provided in Section 4.02(A)(2), may elect at any time to provide in lieu of all or a portion of such funds, a Reserve Account Credit Facility.

(2) Any accrued interest or amounts to be used to pay interest for a specified period of time shall be transferred to the Board of Administration and deposited into the Sinking Fund, created by this Resolution, and used for the payment of interest on the Bonds.

(3) After making the transfers provided for in (1) and (2) above, the balance of the proceeds of the 1998 Bonds shall be transferred to and deposited into the 1998 Project Construction Fund, which is hereby created in the State Treasury, and used for the purposes of said 1998 Project Construction Fund.

Any unexpended balance remaining in the 1998 Project Construction Fund, after a consulting architect shall certify that the 1998 Project has been completed and all costs thereof paid or payment provided for, shall be deposited into the Sinking Fund created by this Resolution.

In addition to the aforementioned proceeds of the 1998 Bonds, the Board of Regents covenants that it will deposit into the 1998 Project Construction Fund additional funds legally available for such purpose which, together with the proceeds of the 1998 Bonds, will be sufficient to finance the total 1998 Project Costs. Any such additional funds, other than the proceeds of the 1998 Bonds or Completion Bonds, shall be derived from sources and in a manner which will not jeopardize the security of the Bonds issued pursuant to this Resolution.

All moneys in said 1998 Project Construction Fund, or in any other construction fund hereafter created for any project hereafter financed in whole or in part from the proceeds of Additional Bonds as provided herein, shall constitute a trust fund for such purposes and there is hereby created a lien upon such funds in favor of the Registered Owners of Bonds issued pursuant to this Resolution, until such funds are applied as provided herein, except to the extent such moneys are required for the payment of any Rebate Amount, and all moneys in such funds shall be continuously secured in the manner now provided by the laws of the State for securing deposits of State funds.

SECTION 3.03. INVESTMENT OF 1998 PROJECT CONSTRUCTION FUND. Any moneys in the 1998 Construction Fund not immediately needed for the purposes provided in this Resolution, may be temporarily invested and reinvested as provided in Section 18.10, Florida Statutes.

ARTICLE IV
APPLICATION AND ADMINISTRATION OF PLEDGED REVENUES

SECTION 4.01. BONDS SECURED BY PLEDGED REVENUES. (A) The payment of principal of and interest on the Bonds shall be secured forthwith equally and ratably by a valid and enforceable senior lien on the Pledged Revenues to be received under this Resolution as provided for in Section 6.01 of this Resolution, and such Pledged Revenues, except as may be required for payment of Rebate Amounts, are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds, as the same become due.

(B) The Bonds shall not be or constitute an indebtedness of the State, or any political subdivision thereof or any instrumentality thereof, but shall be payable solely from the Pledged Revenues, as provided herein. No Registered Owner or Registered Owners of the Bonds shall ever have the right to compel the exercise of the taxing power of the State, or any political subdivision thereof, to pay such Bonds or the interest thereon, or be entitled to payment of such principal and interest from any other funds except such payments consisting of the Pledged Revenues, in the manner provided herein.

SECTION 4.02. APPLICATION OF HOUSING SYSTEM REVENUES. (A) Upon collection, the Pledged Revenues shall be deposited daily by the University into the "Florida Board of Regents Florida International University Clearing Account", in a bank approved by the Board of Regents and the State Treasurer and from there shall be transferred on a daily basis to a separate fund held by the State Treasurer. This separate fund shall be known as the "Florida International University Housing System Revenue Fund" which is hereby created. Said fund constitutes a trust fund for the purposes provided in this Resolution, and shall be kept separate and distinct from all other funds of the University and the Board of Regents and used only for the purposes and in the manner provided in this Resolution. All revenues on deposit at any time in the Revenue Fund shall be applied only in the following manner and order of priority:

(1) first, for payment of Current Expenses of the Housing System as necessary, as determined by the University;

(2) second, a sufficient amount of moneys shall be transferred no later than thirty days before an Interest Payment Date and/or a Principal Payment Date, to the Board of Administration to be used as follows:

(a) for payment of the Administrative Expenses;

(b) for deposit into the Sinking Fund, which is hereby created, an amount sufficient to pay the next installments of principal and interest to become due during the then current Fiscal Year, including Amortization Installments for any Term Bonds;

(c) for the maintenance and establishment, if necessary, together with other moneys available for such purposes, of the Reserve Account, which is hereby created in the Sinking Fund in an amount equal to the Reserve Requirement.

The moneys in the Reserve Account shall be used for the payments provided for in (b) above when the other moneys in the Sinking Fund are insufficient therefor. Any withdrawals from the Reserve Account shall be restored from the first moneys available therefor in the Sinking Fund after the required payments under (b) above have been made or provided for. Any unused portion of the Reserve Account may be used by the Board of Regents to reduce the final installments of the Annual Debt Service Requirement becoming due. If the funds on deposit in the Reserve Account exceed the Reserve Requirement with respect to the Series of Bonds secured thereby, such excess shall be used for the purposes and in the priority established in this Section.

Notwithstanding the foregoing provisions, in lieu of the required deposits into the Reserve Account, the Board of Regents may at any time cause to be deposited into the Reserve Account, one or more Reserve Account Credit Facilities for the benefit of the Registered Owners, in an amount which, together with sums on deposit, equals the Reserve Requirement. In no event shall the use of such Reserve Account Credit Facilities be permitted if such use would cause, at the time of acquisition of such Reserve Account Credit Facility, an impairment in any existing rating on the Bonds or any Series of Bonds. The Reserve Account Credit Facilities shall be payable or available to be drawn upon, as the case may be, on or before any Interest Payment Date or Principal Payment Date on which a deficiency exists which cannot be cured by funds in any other account held for such Bonds pursuant to this Resolution and available for such purpose. If more than one Reserve Account Credit Facility is deposited into the Reserve Account, each Reserve Account Credit Facility shall be drawn upon in a proportion equal to its relative share of the amounts in the Reserve Account. If a disbursement is made under the Reserve Account Credit Facility, the Board of Regents shall be obligated, from the first Pledged Revenues available, to either reinstate such Reserve Account Credit Facility immediately following such disbursement to the amount required to be maintained in the Reserve Account or to deposit into the Reserve Account from the Pledged Revenues, as herein provided, funds in the amount of the disbursement made under such Reserve Account Credit Facility plus any amounts required to reimburse the Reserve Account Credit Facility provider for previous disbursements made pursuant to such Reserve Account Credit Facility, or a combination of such alternatives as shall equal the amount required to be maintained. To the extent that the Board of Regents reinstates a Reserve Account Credit Facility or reimburses a Reserve Account Credit Facility provider, such reinstatement or reimbursement shall be in proportion to the amounts drawn from the various Reserve Account Credit Facilities.

In the event that any moneys shall be withdrawn by the Board of Administration from the Reserve Account for the payment of interest, principal or Amortization Installments, such withdrawals shall be subsequently restored from the first Pledged Revenues available after all required payments have been made as provided in sub-paragraph (b) of this paragraph, including any deficiencies for prior payments, unless restored by a reinstatement under a Reserve Account Credit Facility of the amount withdrawn.

Moneys in the Reserve Account shall be used for payment of principal or interest only when the other moneys in the Sinking Fund available for such purpose are insufficient therefor.

Any moneys in the Reserve Account in excess of the amount required to be maintained therein shall be used for the purposes and in the priority established by this Section; and

(d) for deposit to the Rebate Fund created by Section 6.04(B) of this Resolution, an amount of moneys sufficient to pay the Rebate Amount;

(3) third, when sufficient amounts have been accumulated in the Revenue Fund to satisfy the requirements of paragraphs (1) and (2) above, moneys shall be deposited by the University into the Housing System Maintenance and Equipment Reserve Fund to be established by the University for the Housing System in a separate account in a bank approved by the Board of Regents and the State Treasurer. Amounts required by this Resolution to be deposited into the Housing System Maintenance and Equipment Reserve Fund shall be as approved in the annual budget of the University pursuant to Section 8.12 hereof. Such deposits shall continue to be made in each Fiscal Year in amounts necessary to maintain a balance in such account as required by the Board of Regents.

The moneys in said Housing System Maintenance and Equipment Reserve Fund may be drawn on and used by the Board of Regents or the University for the purpose of paying the cost of unusual or extraordinary maintenance or repairs, renewals and replacements, and the renovating or replacement of the equipment and furnishings not paid as part of the ordinary and normal expense of the operation and maintenance of the Housing System.

In the event the moneys in the Sinking Fund and Reserve Account therein on any Interest Payment Date or Principal Payment Date shall be insufficient to pay the next maturing installment of principal of or interest on the Bonds, then moneys in said Housing System Maintenance and Equipment Reserve Fund may be transferred by the University to the Board of Administration to be deposited into the Sinking Fund to the extent necessary to eliminate such deficiencies and to avoid a default;

(4) fourth, the balance of any money not needed for the payments provided in (1), (2) and (3) above, shall be applied in the sole discretion of the University for:

(a) optional redemption or purchase of Bonds; or

(b) any lawful purpose of the University.

(B) If on any payment date the revenues are insufficient to place the required amounts in any of the funds as above provided, the deficiency shall be made up in subsequent payments in addition to the payments which would otherwise be required to be made into such funds on the subsequent payment dates.

(C) The Revenue Fund and the Sinking Fund shall constitute trust funds for the purposes provided herein for such funds. All of such funds shall be continuously secured in the same manner as deposits of State funds are required to be secured by the laws of the State.

(D) Except insofar as such funds may be needed for any payment required to be made by the terms of this Resolution or the Bonds, moneys in any of the funds authorized or required by this Resolution may be invested and reinvested at any time as provided by Section 18.10 or 215.47, Florida Statutes, where applicable. When so invested or reinvested, the proceeds derived from the investment or reinvestment of such obligations shall be held for and credited to the fund for which said obligations were purchased except as otherwise provided in this Resolution; provided, however, that any such obligations purchased as investments for moneys in the Sinking Fund shall mature not later than the dates upon which such moneys will be needed for the payment of maturing principal and interest to be paid from said Sinking Fund.

ARTICLE V
ADDITIONAL BONDS; REFUNDING BONDS AND ISSUANCE OF OTHER OBLIGATIONS

SECTION 5.01. ISSUANCE OF ADDITIONAL BONDS. The Division of Bond Finance is authorized to issue Additional Bonds, but only upon the following terms, restrictions and conditions:

(A) The proceeds from such Additional Bonds shall be used either (1) to acquire and construct capital additions or improvements to the Housing System, or (2) to refund outstanding bonds.

(B) The Board of Regents shall request the issuance of such Additional Bonds.

(C) The Board of Administration shall approve the fiscal sufficiency of such Additional Bonds.

(D) Certificates shall be executed by the Board of Regents or other appropriate State official setting forth:

(1) the average annual amount of Pledged Revenues from the two Fiscal Years immediately preceding the issuance of the proposed Additional Bonds, adjusted as hereinafter provided, and;

(2) the Maximum Annual Debt Service on the Bonds then Outstanding and the Additional Bonds then proposed to be issued.

(E) The Board of Regents and the University must each be current in all deposits into the various funds and accounts and all payments theretofore required to have been deposited or made under the provisions of this Resolution and the Board of Regents and the University must be currently in compliance with the covenants and provisions of this Resolution and any supplemental resolution hereafter adopted for the issuance of Additional Bonds, or upon the issuance of such Additional Bonds the Board of Regents and the University will be brought into compliance with all such covenants and provisions.

(F) The average annual amount of Pledged Revenues for the two immediately preceding Fiscal Years adjusted as hereinafter provided, as certified by the Board of Regents or other appropriate State official pursuant to (D)(1) above, will be at least equal to one hundred twenty percent of the Maximum Annual Debt Service on (i) the Bonds then Outstanding, and (ii) the Additional Bonds then proposed to be issued;

(G) The Pledged Revenues calculated pursuant to paragraph (D)(1) may be adjusted, at the option of the Board of Regents as follows:

(1) If the Board of Regents or the University, prior to the issuance of the proposed Additional Bonds, shall have increased the rates, fees, rentals or other charges for the services or facilities of the Housing System or the Existing Housing Facilities, the average annual amount of Pledged Revenues for the two immediately preceding Fiscal Years prior to the issuance of said Additional Bonds, as certified by the Board of Regents or other appropriate State official, shall be adjusted to show the Pledged Revenues which would have been derived from the Housing System and the Existing Housing Facilities as if such increased rates, fees, rentals or other charges for the services or facilities of the Housing System and the Existing Housing Facilities had been in effect during all of such two preceding Fiscal Years.

(2) If the Board of Regents or the University shall have acquired or shall have contracted to acquire any privately or publicly owned existing facility for inclusion in the Housing System or the Existing Housing Facilities, or shall include in the Housing System or the Existing Housing Facilities any facility which was not previously included therein, then the average annual amount of Pledged Revenues derived from the Housing System or the Existing Housing Facilities during the two immediately preceding Fiscal Years prior to the issuance of said Additional Bonds as certified by the Board of Regents or other appropriate State official, shall be increased by adding to the Pledged Revenues for said two preceding Fiscal Years the net revenues which would have been derived from the existing facility so acquired or included as if such existing facility had been a part of the Housing System or the Existing Housing Facilities during all of such two Fiscal Years. For the purposes of this paragraph, the revenues derived from said existing facility during such two preceding Fiscal Years shall be adjusted to determine such net revenues by deducting the cost of operation and maintenance of said existing facility from the gross revenues of said facility in the same manner provided in this Resolution for the determination of Pledged Revenues. The revenues from such facilities may also be adjusted for any increase in rates as though they had been in effect during all of such two preceding Fiscal Years.

(3) (As amended on September 23, 1998.) Should the Board of Regents or the University have constructed or be constructing a facility or additions, extensions or improvements to the Housing System or the Existing Housing Facilities, and if the Board of Regents or the University shall have established rates, fees, rentals or other charges to be charged and collected from users of such facilities, and if such revenues were collected for less than the entire two Fiscal Years immediately preceding the certification required pursuant to paragraph (D)(1) above, the average annual amount of Pledged Revenues for the two immediately preceding Fiscal Years prior to the issuance of such Additional Bonds, as certified by the Board of Regents, or other appropriate State official, shall be adjusted to include any additional Pledged Revenues which would have been received from the users of such facilities if the rates, fees, rentals or other charges so established had been in effect during all of such two preceding Fiscal Years.

SECTION 5.02. REFUNDING BONDS. The Bonds originally issued pursuant to this Resolution then Outstanding, together with all Additional Bonds issued and then Outstanding, may be refunded as a whole or in part. If the Annual Debt Service Requirement of the refunding Bonds in each Fiscal Year is equal to or less than the corresponding Annual Debt Service Requirement of the refunded Bonds, then the provisions of subsections 5.01(A), (D) and (F) of this Resolution shall not apply to the issuance of the refunding Bonds.

If the Annual Debt Service Requirement of the refunding Bonds in any Fiscal Year is greater than the Annual Debt Service Requirement of the refunded Bonds, then the provisions of subsections 5.01(B) through (F) of this Resolution shall apply to the issuance of such refunding Bonds.

SECTION 5.03. ISSUANCE OF OTHER OBLIGATIONS OR CREATION OF ENCUMBRANCES. The Division of Bond Finance covenants that it will not issue any other obligations, except Additional Bonds provided for in Section 5.01 hereof, refunding Bonds provided for in Section 5.02 hereof, or Completion Bonds provided for in Section 5.04 hereof, payable from the Pledged Revenues nor voluntarily create or cause to be created any other debt, lien, pledge, assignment, encumbrance or other charge, having priority to or being on a parity with the lien of the Bonds, upon the Pledged Revenues securing the Bonds provided for in this Resolution. Any such other obligations hereafter issued by the Board of Regents, in addition to the Bonds and parity refunding Bonds or Completion Bonds provided for in Section 5.01, 5.02 or 5.04 hereof, shall contain an express statement that such obligations are junior and subordinate to the Bonds, as to lien on and source and security for payment from such Pledged Revenues.

The Board of Regents specifically covenants that it will not hereafter issue any obligations (excluding refunding obligations which do not result in any greater annual debt service requirements on the Outstanding Obligations and which mature not later than the Outstanding Obligations) pursuant to the proceedings which authorized the Outstanding Obligations which will rank on a parity with or senior to the Bonds as to any of the Pledged Revenues.

SECTION 5.04. COMPLETION BONDS. The Division of Bond Finance may issue Completion Bonds. The Board of Regents and the Division of Bond Finance need not comply with Section 5.01 of this Resolution in the issuance of Completion Bonds, provided that the net proceeds of such Completion Bonds available for deposit into the construction fund for such costs shall be equal to or less than 20% of the original estimated cost of the project on the delivery date of the Series of Bonds issued to finance the project for which the Completion Bonds are being issued.

ARTICLE VI
COVENANTS WITH REGISTERED OWNERS

SECTION 6.01. PLEDGE OF PLEDGED REVENUES. The Board of Regents hereby covenants and agrees with the Registered Owners of Bonds that, so long as any of the Bonds, or interest thereon, are Outstanding and unpaid, all of the Pledged Revenues provided for in this Resolution shall be pledged to the payment of the principal of and interest on the Bonds and the payment of such other amounts as are provided for in this Resolution, in the manner provided in this Resolution, and the Registered Owners of the Bonds shall have a valid and enforceable senior lien on such Pledged Revenues in the manner provided herein.

SECTION 6.02. PLEDGED REVENUE COVENANTS. The Board of Regents covenants:

(A) That it will punctually apply the Pledged Revenues as provided for in Section 6.01 of this Resolution in the manner and at the times provided in this Resolution and that it will duly and punctually perform and carry out all the covenants of the Board of Regents made herein and the duties imposed upon the Board of Regents by this Resolution.

(B) That in preparing, approving and adopting any budget controlling or providing for the expenditures of its funds for each budget period it will allocate, allot and approve from its Housing System Revenues and other available funds the amounts sufficient to apply the Pledged Revenues as provided in this Resolution.

(C) That it will from time to time recommend, fix and include in its budgets such revisions in the amounts of rentals, fees and other charges to be levied upon and collected from each person using the facilities of the Housing System which will produce sums sufficient to pay, when due, the requirements as set forth under this Resolution.

(D) That it will continue to collect the fees, rentals and other amounts charged all individuals being served by the facilities of the Housing System.

SECTION 6.03. FEES, RENTALS OR OTHER CHARGES. (A) The Board of Regents covenants that it will fix, establish and collect such fees, rentals or other charges to be derived from the operation of the Housing System, and revise the same from time to time whenever necessary, so that the Housing System Revenues shall be sufficient in each Fiscal Year to pay at least one hundred percent of an amount equal to the Current Expenses and Administrative Expenses, and so that the Pledged Revenues shall be sufficient in each Fiscal Year to pay at least one hundred percent of an amount equal to the Annual Debt Service Requirement for the Bonds and at least one hundred percent of all other payments required by the terms of this Resolution.

(B) Whenever in any year the amounts of Housing System Revenues stated in the annual budget, as provided hereafter, for the ensuing Fiscal Year shall be insufficient to comply with the requirements of the above paragraph for such Fiscal Year, then it shall be the duty of the Board of Regents to fix such fees, rentals or other charges for the ensuing Fiscal Year in an amount sufficient to comply with the provisions of the above paragraph for such ensuing Fiscal Year, and to provide for any deficiencies in prior Fiscal Years.

SECTION 6.04. COMPLIANCE WITH TAX REQUIREMENTS. (A) In addition to any other requirement contained in this Resolution, the Division of Bond Finance, the Board of Regents, and the Board of Administration hereby covenant and agree, for the benefit of the Registered Owners from time to time of the Bonds, that each will comply with the applicable requirements contained in Section 103 and Part IV of Subchapter B of Chapter 1 of the Code as shall be set forth in the non-arbitrage certificate of the Board of Regents dated and delivered on the date of delivery of each series of Bonds. Specifically, without intending to limit in any way the generality of the foregoing, the Division of Bond Finance and Board of Regents covenant and agree:

(1) to pay or cause to be paid to the United States of America from the Housing System Revenues and any other legally available funds, at the times required pursuant to Section 148(f) of the Code, the Rebate Amount;

(2) to maintain and retain or cause to be maintained and retained all records pertaining to and to be responsible for making or causing to be made all determinations and calculations of the Rebate Amount and required payments of the Rebate Amount as shall be necessary to comply with the Code;

(3) to refrain from using proceeds from the Bonds in a manner that might cause any of the Bonds to be classified as private activity bonds under Section 141(a) of the Code; and

(4) to refrain from taking any action that would cause any of the Bonds to become arbitrage bonds under Section 148 of the Code.

The Board of Regents, the Division of Bond Finance and the Board of Administration understand that the foregoing covenants impose continuing obligations that will exist throughout the term of the issue to comply with the requirements of the Code.

(B) The Division of Bond Finance and Board of Regents covenant and agree that they shall maintain and retain or cause to be maintained and retained all records pertaining to and they shall be responsible for making and having made all determinations and calculations of the Rebate Amount for each Series of Bonds issued hereunder for each Bond Year within 60 days after the end of such Bond Year and within 60 days after the final maturity of each such Series of Bonds. On or before the expiration of each such 60 day period, the Board of Regents shall deposit or direct the Board of Administration to deposit into the Rebate Fund which is hereby created and established in the Board of Administration, from investment earnings or moneys deposited into the other funds and accounts created hereunder, or from any other legally available funds of the Board of Regents, an amount equal to the Rebate Amount for such Bond Year. The Board of Administration shall use such moneys deposited in the Rebate Fund only for the payment of the Rebate Amount to the United States as required by subsection (A) of this section, and as directed by the Board of Regents, which payments shall be made in installments, commencing not more than 60 days after the end of the fifth Bond Year and with subsequent payments to be made not later than five years after the preceding payment was due except that the final payment shall be made within 60 days after the final maturity of the last obligation of the Series of Bonds issued hereunder. In complying with the foregoing, the Division of Bond Finance and the Board of Regents may rely upon any instructions or opinions from a nationally recognized bond/tax counsel.

Notwithstanding anything in this Resolution to the contrary, to the extent moneys on deposit in the Rebate Fund are insufficient for the purpose of paying the Rebate Amount and other funds of the Board of Regents are not available to pay the Rebate Amount, then the Board of Administration shall pay the Rebate Amount first from Pledged Revenues and, to the extent the Pledged Revenues be insufficient to pay the Rebate Amount, then from moneys on deposit in any of the funds and accounts created hereunder.

If at any time the Division of Bond Finance or the Board of Regents determines that the amount of money on deposit in the Rebate Fund is in excess of the Rebate Amount, the Division of Bond Finance or the Board of Regents may direct the Board of Administration to transfer the amount of money in excess of the Rebate Amount to the University, for deposit into the Revenue Fund.

If any amount shall remain in the Rebate Fund after payment in full of all Bonds issued hereunder and after payment in full to the United States in accordance with the terms hereof, such amounts shall be paid over to the Board of Regents or the University and may be used for other purposes authorized by law.

The Rebate Fund shall be held separate and apart from all other funds and accounts of the Board of Regents and shall be subject to a lien in favor of the Registered Owners, but only to secure payment of the Rebate Amount, and the moneys in the Rebate Fund shall be available for use only as herein provided.

The Division of Bond Finance, the Board of Administration, and the Board of Regents shall not be required to continue to comply with the requirements of this section in the event that the Division of Bond Finance and the Board of Administration receive an opinion of nationally recognized bond/tax counsel that (1) such compliance is no longer required in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds or (2) compliance with some other requirement will comply with the provisions of the Code in respect of arbitrage rebate, or in the event that any other agency is subsequently designated by proper authority to comply with the requirements of this section.

SECTION 6.05. ANNUAL FINANCIAL STATEMENT. (A) Within nine months after the end of each Fiscal Year, the University will prepare a financial statement for the Housing System for the preceding Fiscal Year, reflecting in reasonable detail the financial condition and record of operation of the Housing System, and other Pledged Revenue sources, including particularly the University's enrollment, the degree of use and rates charged for the use of, and the insurance on, the Housing System and the status of the several accounts and funds established in this Resolution.

(B) Should the University fail to comply with subsection (A) of this section, upon request of at least five percent of the Registered Owners an audit shall be completed by a certified public accountant or firm of certified public accountants. The cost of this audit shall be borne by the University.

SECTION 6.06. CONTINUING DISCLOSURE. (A) In order to comply with Rule 15c2-12 of the Securities and Exchange Commission, the Board of Regents hereby agrees to provide or cause to be provided such information as may be required, from time to time, under such rule.

(B) The Board of Regents, or its duly appointed representative, in conjunction with the appropriate officer of the Division, is authorized and directed to execute and deliver any documents or agreements which are necessary to comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission.

ARTICLE VII
REMEDIES

SECTION 7.01. ENFORCEABILITY BY REGISTERED OWNERS. (A) This Resolution, including the pledge of the Pledged Revenues, shall be deemed to have been made for the benefit of the Registered Owners from time to time of the Bonds. Such pledge and all the provisions of this Resolution shall be enforceable in any court of competent jurisdiction by any Registered Owner or Registered Owners of such Bonds, against either the Board of Regents or the Board of Administration or any other agency of the State, or instrumentality thereof, having any duties concerning collection, administration and disposition of the Pledged Revenues. The Board of Regents does hereby consent to the bringing of any proceedings in any court of competent jurisdiction by any Registered Owner or Registered Owners of the Bonds for the enforcement of all provisions of this Resolution and does hereby waive, to the extent permitted by law, any privilege or immunity from suit which it may now or hereafter have as an agency of the State. However, no covenant or agreement contained in this Resolution or any Bond issued pursuant hereto shall be deemed to be the covenant or agreement of any officer or employee of the State in such person's individual capacity, and neither the officers nor employees of the State nor any official executing any of the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

(B) Any Registered Owner of the Bonds, or any trustee acting for the Registered Owner of such Bonds, may by civil action in any court of competent jurisdiction, protect and enforce any and all rights, including the right to the appointment of a receiver, existing under the laws of the State, or granted and contained in this Resolution, and may enforce and compel the performance of all duties required by this Resolution, and by any applicable Statutes, to be performed by the Division of Bond Finance, the Board of Regents, the University, or the Board of Administration, or by any officer thereof, including the payment of the Pledged Revenues payable under this Resolution. Other than as specifically provided herein, nothing herein shall be construed to grant to any Registered Owner of the Bonds any lien on the Housing System or any other facility or funds of the University, or the Board of Regents, or the Division of Bond Finance.

ARTICLE VIII
MISCELLANEOUS

SECTION 8.01. DISPOSITION OF HOUSING SYSTEM. (As amended on September 23, 1998.)The University or the Board of Regents may sell, lease or otherwise dispose of the Housing System, Existing Housing Facilities, or any portion thereof, after notice thereof to the Division of Bond Finance and the provider of any Bond Insurance Policy, and only if (i) in the opinion of nationally recognized bond counsel to the Division of Bond Finance, such sale, lease or disposition would not adversely affect the exclusion from gross income for federal income taxation purposes of interest on the Bonds; (ii)Pledged Revenues available thereafter will be sufficient to pay all amounts due with respect the Bonds; and (iii) such sale, lease or disposition shall not impair any underlying rating on the Bonds, or the provider of any Bond Insurance Policy shall have consented to such sale, lease or other disposition. The proceeds of any sale, lease or other disposition of the Housing System, Existing Housing Facilities, or any portion thereof shall (i) forthwith be deposited to satisfy any deficiency in any of the funds and accounts held under this Resolution, and (ii) if no such deficiency shall then exist, be applied toward the redemption of Bonds or any other lawful purpose of the University.

SECTION 8.02. MODIFICATION OR AMENDMENT. Except as otherwise provided in the second and third paragraphs of this section, no material modification or amendment of this Resolution, or of any resolution amendatory thereof or supplemental thereto, may be made without the consent in writing of (i) the Registered Owners of more than fifty percent in principal amount of the Bonds then Outstanding or (ii) in case less than all of the several Series of Bonds then Outstanding are materially adversely affected by the modification or amendment, the Registered Owners of more than fifty percent in principal amount of the Bonds so affected and Outstanding at the time such consent is given; provided, however, that no modification or amendment shall permit a change in the maturity of such Bonds or a reduction in the rate of interest thereon, or affecting the promise to pay the interest on and principal of the Bonds, as the same mature or become due, or reduce the percentage of Registered Owners of Bonds required above for such modification or amendments, without the consent of the Registered Owners of all the Bonds so affected.

For purposes of this section, except where the consent of all Registered Owners of a Series of Bonds is required, to the extent any Series of Bonds is insured by a Bond Insurance Policy and such Series of Bonds is then rated in as high a rating category as the rating category in which such Series of Bonds was rated at the time of initial delivery thereof by a Rating Agency, then the consent of the issuer of the Bond Insurance Policy shall constitute the consent of the Registered Owners of such Series.

The Division of Bond Finance may amend, change, modify and alter this Resolution without the consent of the Registered Owners of Bonds, (i) to cure any defect, omission, conflict, or ambiguity in this Resolution or between the terms and provisions hereof and any other document executed or delivered herewith, (ii) to provide other changes including such changes as may be necessary in order to adjust the terms hereof so as to facilitate the issuance of various types of Bonds including, but not limited to, Capital Appreciation Bonds, and any other Bonds which may be issued hereunder, which will not materially adversely affect the interest of such Registered Owner of Bonds, (iii) to provide for the issuance of Bonds in coupon form if, in the opinion of a nationally recognized bond/tax counsel, such issuance will not affect the exemption from federal income taxation of interest on the Bonds, (iv) to obtain credit enhancements or a higher rating in one of the three highest full rating categories of a Rating Agency, (v) to add to the covenants and agreements of the Division of Bond Finance, the Board of Administration or the Board of Regents in this Resolution, other covenants and agreements to be observed by the Division of Bond Finance, the Board of Administration or the Board of Regents which are not contrary to or inconsistent with this Resolution as theretofore in effect, (vi) to add to the limitations and restrictions in this Resolution, other limitations and restrictions to be observed by the Division of Bond Finance, the Board of Administration or the Board of Regents which are not contrary to or inconsistent with this Resolution as theretofore in effect, (vii) to permit the qualification hereof and thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect or to permit the qualifications of the Bonds for sale under the securities laws of any of the states of the United States of America, (viii) to enable the Division of Bond Finance, the Board of Administration and the Board of Regents to comply with their covenants, agreements and obligations under Section 6.04 of this Resolution, (ix) to enable the Division to provide for sub-accounts in the Reserve Account for one or more Series of Bonds, (x) to specify and determine any matters and things relative to the Bonds which are not contrary to or inconsistent with this Resolution and which shall not materially adversely affect the interests of the Registered Owners, and (xi) to amend or modify any provisions of this Resolution so long as such amendment or modification does not materially adversely affect the interests of the Registered Owners.

SECTION 8.03. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants or provisions of this Resolution shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants or provisions shall be null and void and shall be deemed separable from the remaining covenants or provisions of this Resolution or of the Bonds and shall in no way affect the validity or enforceability of any other covenants, agreements or provisions of this Resolution or of the Bonds issued hereunder.

SECTION 8.04. NONPRESENTMENT OF BONDS: FUNDS HELD FOR BONDS AFTER DUE DATE OF BONDS. In the event any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity, or otherwise, if funds sufficient to pay such Bond shall have been made available to the Board of Administration for the benefit of the Registered Owner thereof, all liability of the Board of Regents to the Registered Owner thereof for the payment of such Bond shall forthwith cease, terminate, and be completely discharged, and thereupon it shall be the duty of the Board of Administration to hold such funds, without liability for interest thereon, for the benefit of the Registered Owner of such Bonds, who shall thereafter be restricted exclusively to such funds, for any claim of whatever nature on his part under this Resolution or on, or with respect to, said Bond. Any such funds held by the Board of Administration for the Registered Owners of such Bonds for seven years after the principal or Accreted Value of the respective Bonds for which such funds have been so set aside has become due and payable and remaining (whether at maturity or upon redemption or otherwise) shall be subject to the laws of the State of Florida relating to disposition of unclaimed property, and unless demand for the payment of such Bonds shall have been made, the obligation thereon shall be extinguished.

SECTION 8.05. DEFEASANCE. The covenants, liens and pledges entered into, created or imposed pursuant to this Resolution may be fully discharged and satisfied with respect to any of the Bonds in any one or more of the following ways:

(A) By paying the principal of and interest on such Bonds when the same shall become due and payable; or

(B) By depositing with the Board of Administration, certain moneys which are irrevocably pledged to the payment of such Bonds and which, together with other moneys lawfully available therefor, shall be sufficient at the time of such deposit to pay when due the principal of, redemption premium, if any, and interest due and to become due on such Bonds on or prior to the redemption date or maturity date thereof; or

(C) By depositing with the Board of Administration, moneys which are irrevocably pledged to the payment of such Bonds and which, together with other moneys lawfully available therefor when invested in Defeasance Obligations, will provide moneys (principal and interest thereof at maturity) which shall be sufficient to pay the principal of, redemption premium, if any, and interest due and to become due on such Bonds on or prior to a date fixed for redemption or the maturity date thereof.

Upon such payment or deposit in the amount and manner provided in this section, the Bonds with respect to which payments on deposit have been made shall be deemed to be paid and shall no longer be deemed to be Outstanding for the purposes of this Resolution and all liability of the Board of Regents and Division of Bond Finance with respect to such Bonds shall cease, terminate and be completely discharged and extinguished, and the Registered Owners thereof shall be entitled for payment solely out of the moneys or securities so deposited.

(D) Notwithstanding the foregoing, all references to the discharge and satisfaction of Bonds shall include the discharge and satisfaction of any Series of Bonds, any portion of any Series of Bonds, any maturity or maturities of any Series of Bonds, any portion of a maturity of any Series of Bonds or any combination thereof.

(E) If any portion of the moneys deposited for the payment of the principal of and redemption premium, if any, and interest on any portion of Bonds is not required for such purpose, and so long as no other deficiency exists, the Board of Regents or the Board of Administration may use the amount of such excess free and clear of any trust, lien, security interest, pledge or assignment securing said Bonds or otherwise existing under this Resolution.

(F) Nothing herein shall be deemed to require the Board of Regents or Division of Bond Finance to call any of the Bonds for redemption prior to maturity pursuant to any applicable optional redemption provisions, or to impair the discretion of the Board of Regents or Division of Bond Finance in determining whether to exercise any such option for early redemption.

SECTION 8.06. SURVIVAL OF CERTAIN PROVISIONS. Notwithstanding the foregoing, any provisions of this Resolution which relate to the maturity of Bonds, interest payments and dates thereof, optional and mandatory redemption provisions, credit against mandatory redemption requirements, exchange, transfer and registration of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, non-presentment of Bonds, the holding of moneys in trust, the calculation of the Rebate Amount and the paying of the Rebate Amount to the United States, shall remain in effect and be binding upon the University, the Division, the Board of Regents, the Bond Registrar/Paying Agent and the Registered Owners notwithstanding the release and discharge of the lien and pledge of this Resolution or any subsequent resolution. The provisions of this Article shall survive the release, discharge and satisfaction of this Resolution or any subsequent resolution.

SECTION 8.07. INSURANCE. The Board of Regents will carry such insurance on the Housing System and the Existing Housing Facilities as is required by the State or is ordinarily and customarily carried on similar systems as the Housing System and the Existing Housing Facilities with a reputable insurance carrier or carriers, including public liability insurance and such other insurance against loss or damage by fire, explosion, hurricane, cyclone or other hazards and risks, or the Board of Regents may establish certain minimum levels of insurance for which the Board of Regents may self-insure.

SECTION 8.08. BOND ANTICIPATION NOTES. Notwithstanding any other provision of this Resolution, if the Division of Bond Finance shall deem it advisable, short-term obligations (hereinafter "Notes") are hereby authorized to be issued by the Division of Bond Finance on behalf of the Board of Regents in anticipation of the sale and delivery of the Bonds. The Notes shall be payable from the proceeds received from the sale of the Bonds and, in the interim, from the Pledged Revenues. The Notes may be issued in such denomination or denominations, in the aggregate principal amount not to exceed the authorized principal amount of Bonds for the Series for which such Notes are issued, in the form, may bear interest at the lawful rate or rates payable on such dates (not to exceed five years from the date of issue) and may be subject to such conditions and terms as the Division of Bond Finance shall deem necessary or desirable in connection with such Notes, all as shall be provided by resolution of the Division of Bond Finance adopted at or before sale of the Notes, in accordance with Section 215.68(7), Florida Statutes.

SECTION 8.09. CAPITAL APPRECIATION BONDS. For the purposes of (i) receiving payment of the redemption price if a Capital Appreciation Bond is redeemed prior to maturity, (ii) computing the amount of the Maximum Annual Debt Service, and (iii) determining the principal amount of Bonds held by the Registered Owner of a Capital Appreciation Bond for giving any notice, consent, request or demand pursuant to this Resolution for any purpose whatsoever, the principal amount of a Capital Appreciation Bond shall be deemed to be its Accreted Value.

SECTION 8.10. TRUST FUNDS. (A) The funds and accounts established by this Resolution and all moneys on deposit therein shall constitute trust funds for their respective purposes as provided herein. The Sinking Fund shall be held and administered by the Board of Administration, and such funds shall be fully and continuously secured in the manner provided by the laws of the State for the securing of deposits of State funds. The Registered Owners shall have a lien on moneys in the Sinking Fund, except the moneys in the Rebate Fund, until such moneys are used or applied as provided herein.

(B) The designation and establishment of the various funds and accounts in and by this Resolution shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues for certain purposes and to establish certain priorities for application of such revenues as herein provided.

SECTION 8.11. FISCAL AGENT. Upon sale and delivery of the Bonds by the Division of Bond Finance on behalf of the Board of Regents, the Board of Administration shall act as the fiscal agent for the Board of Regents with respect to the Bonds.

SECTION 8.12. ANNUAL BUDGETS. The Board of Regents shall annually, at least ninety days preceding the beginning of each Fiscal Year, or at any other time as requested by the Board of Administration, prepare a detailed budget providing reasonable estimates of the Current Expenses during the succeeding Fiscal Year and setting forth the amount to be deposited in the Housing System Maintenance and Equipment Reserve Fund for such Fiscal Year. The budget shall be adopted by the Board of Regents and shall not be changed during the Fiscal Year except by the same procedure by which it was adopted. Copies of the annual budget and any changes therein shall be filed with the Board of Administration and, upon request, mailed to any Registered Owner. The Board of Regents shall request sufficient funds in the annual budget adopted as required in this section to provide for the payment of all Current Expenses, and amounts required to be deposited in the Housing System Maintenance and Equipment Reserve Fund as set forth herein.

SECTION 8.13. SUBSTITUTE FOR MAILING. If, because of the temporary or permanent suspension of postal service, any person shall be unable to mail any notice required to be given by the provisions of this Resolution, such person shall give notice in such other manner as in its judgement shall most effectively approximate such mailing; and the giving of such notice in such manner shall for all purposes of this Resolution be deemed to be in compliance with the requirement for the mailing thereof.

SECTION 8.14. INSTRUMENTS OF REGISTERED OWNERS. Any writing, including without limitation, any consent, request, direction, approval, objection or other instrument or document, required under this Resolution to be executed by any Registered Owner may be in any number of concurrent writings of similar tenor and may be executed by that Registered Owner in person or by an attorney-in-fact appointed in writing. Proof of (i) the execution of any writing, including without limitation, any consent, request, direction, approval, objection or other instrument or document, (ii) the execution of any writing appointing any attorney-in-fact, and (iii) the ownership of Bonds, shall be sufficient for any of the purposes of this Resolution, if made in the following manner, and if so made, shall be conclusive in favor of the University, the Division, the Board of Regents, and the Board of Administration, with regard to any action taken thereunder, namely:

(a) the fact and date of the execution by any person of any writing may be proved by the certificate of any officer in any jurisdiction, who has the power by law to take acknowledgments within that jurisdiction, that the person signing the writing acknowledged that execution before that officer, or by affidavit of any witness to that execution; and

(b) the fact of ownership of Bonds of any Series shall be proved by the Bond Registrar/Paying Agent for such Series.

SECTION 8.15. VALIDATION AUTHORIZED. The attorneys for the Division of Bond Finance are hereby authorized to institute proceedings to validate the Bonds, pursuant to Chapter 75, Florida Statutes.

SECTION 8.16. REPEAL OF INCONSISTENT RESOLUTIONS. All resolutions and parts of resolutions heretofore adopted pertaining to the subject matter of this Resolution, to the extent that they are inconsistent with this Resolution, are hereby repealed, revoked, and rescinded, but only to the extent of any such inconsistencies.

SECTION 8.17. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

ADOPTED June 9, 1998, as amended on September 23, 1998.

APPENDIX C

A RESOLUTION (THE SECOND SUPPLEMENTAL RESOLUTION) AUTHORIZING THE ISSUANCE OF STATE OF FLORIDA, FLORIDA EDUCATION SYSTEM, FLORIDA INTERNATIONAL UNIVERSITY HOUSING FACILITY REVENUE BONDS, SERIES 2004A; CANCELING THE AUTHORITY FOR UNISSUED PREVIOUSLY AUTHORIZED BONDS; AMENDING THE ORIGINAL RESOLUTION, AND PROVIDING FOR AN EFFECTIVE DATE.

BE IT RESOLVED BY THE GOVERNOR AND CABINET OF THE STATE OF FLORIDA, AS THE GOVERNING BOARD OF THE DIVISION OF BOND FINANCE OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA:

ARTICLE I
DEFINITIONS AND AUTHORITY

SECTION 1.01. DEFINITIONS. All of the definitions contained in Article I of the Original Resolution (as defined herein), in addition to the definitions contained herein and except to the extent inconsistent with or amended by definitions contained herein, shall apply fully to the Outstanding Bonds and the 2004A Bonds (as defined herin).

"**1998 Bonds**" means the $26,525,000 State of Florida, Board of Regents, Florida International University Housing Facility Revenue Bonds, Series 1998.

"2000 Bonds" means the $14,605,000 State of Florida, Board of Regents, Florida International University Housing Facility Revenue Bonds, Series 2000.

"2004A Bonds" means the not exceeding $36,500,000 State of Florida, Florida Education System, Florida International University Housing Facility Revenue Bonds, Series 2004A authorized by this Second Supplemental Resolution.

"2004A Project" means the construction of a student housing facility on the Miami (University Park) campus of Florida International University, as approved by the Board and the Legislature.

"2004A Project Construction Fund" means a trust fund held in the State Treasury, in which shall be deposited the net proceeds of the 2004A Bonds and other available moneys for the construction of the 2004A Project.

"2004A Project Costs" means the actual costs of the 2004A Project, including costs of design and construction; materials, labor, furnishings, equipment and apparatus; sitework and landscaping; roadway and parking facilities; the acquisition of all lands or interests therein, and all other property, real or personal, appurtenant to or useful in the 2004A Project; interest on the 2004A Bonds for a reasonable period after the date of delivery thereof, if necessary; an amount sufficient to establish adequate reserves; architectonic and engineering fees; legal fees; reimbursement for prior authorized expenditures; and fees and expenses of the Division of Bond Finance, the Board of Administration, the University, or the Board necessary to the construction and placing in operation of the 2004A Project and the financing thereof.

"Assistant Secretary" means an Assistant Secretary of the Division of Bond Finance.

"Board" means the State Board of Education and the Board of Governors, or, if and when so designated by law, that agency of the State authorized to issue bonds on behalf of the University.

"Board of Governors" means the Board of Governors of the State of Florida, a body corporate, established pursuant to Article IX, Section 7, Florida Constitution, and includes any other entity succeeding to the powers thereof.

"Bond Registrar/Paying Agent" means U.S. Bank Trust National Association, New York, New York, or its successor.

"Bond Year" means, with respect to a particular Series of Bonds issued hereunder, the annual period relevant to the application of Section 148(f) of the Code to the Series of Bonds, except that the first and last Bond Years may be less than 12 months long. The last day of a Bond Year shall be the close of business on the day preceding the anniversary of the date of issuance of the Series unless the Division of Bond Finance selects another date on which to end a Bond Year in the manner permitted by the Code.

"Code" means the Internal Revenue Code of 1986, as amended, and temporary, proposed or permanent implementing regulations promulgated thereunder.

"Completion Bonds" means those Bonds issued pursuant to Section 5.04 of the Original Resolution to pay the cost of completing the 2004A Project.

"Director" means the Director of the Division of Bond Finance and shall include any Assistant Secretary to whom the Director delegates authority.

"Housing System" means the facilities enumerated in the Original Resolution, the 2000 Project, the 2004A Project and such additional facilities as at some future date may be added to the Housing System.

"Original Resolution" means the resolution adopted on June 9,1998 by the Governor and Cabinet as the Governing Board of the Division of Bond Finance authorizing the issuance of the Bonds, as amended on September 23, 1998 and by this Second Supplemental Resolution, and as may be further amended from time to time.

"**Outstanding Bonds**" means the Outstanding 1998 Bonds and the Outstanding 2000 Bonds.

"Rebate Amount" means the excess of the amount earned on all nonpurpose investments (as defined in Section 148(f)(6) of the Code) over the amount which would have been earned if such nonpurpose investments were invested at a rate equal to the yield on the Bonds, plus any income attributable to such excess.

"Second Supplemental Resolution" means this resolution authorizing the issuance of the 2004A Bonds.

"State Board of Education" means the Florida State Board of Education, a body corporate, established pursuant to Article IX, Section 2, Florida Constitution, and includes any other entity succeeding to the powers thereof.

Where the context so requires, words importing singular number shall include the plural number in each case and vice versa, words importing persons shall include firms and corporations, and the masculine includes the feminine and vice versa.

SECTION 1.02. AUTHORITY FOR THIS RESOLUTION. This Second Supplemental Resolution is adopted pursuant to the provisions of Article VII, Section 11(d) of the Florida Constitution; Sections 1010.60-1010.619, Florida Statutes, the State Bond Act, and other applicable provisions of law, and pursuant to the Original Resolution, and is supplemental to said Original Resolution.

SECTION 1.03. RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the acceptance of the 2004A Bonds by those who shall hold the same from time to time, this Second Supplemental Resolution and the Original Resolution shall be deemed to be and shall constitute a contract among the Division of Bond Finance, the Board, the University and such Registered Owners. The covenants and agreements to be performed by the Board and the University shall be for the equal benefit, protection, and security of the Registered Owners of any and all of the Outstanding Bonds and the 2004A Bonds, as defined herein, all of which shall be of equal rank and without preference, priority, or distinction as to any of such Bonds over any other thereof, except as expressly provided therein and herein.

ARTICLE II
AUTHORIZATION, TERMS, EXECUTION, REGISTRATION, TRANSFER, ISSUANCE AND FORM OF BONDS

SECTION 2.01. AUTHORIZATION OF 2004A BONDS. Subject and pursuant to the provisions of this Second Supplemental Resolution and the Original Resolution, fully registered revenue bonds of the Board to be known as "State of Florida, Florida Education System, Florida International University Housing Facility Revenue Bonds, Series 2004A" (or such other designation as may be determined by the Director) are hereby authorized to be issued by the Division of Bond Finance in an aggregate principal amount not exceeding $36,500,000, for the purpose of financing the construction, furnishing and equipping of the 2004A Project as described herein.

SECTION 2.02. APPLICABILITY OF ARTICLE II OF THE ORIGINAL RESOLUTION. Except as otherwise provided in this Second Supplemental Resolution, the terms, description, execution, negotiability, registration, transfer and issuance of the 2004A Bonds shall be governed by the provisions of Article II of the Original Resolution, adjusted to the extent necessary to apply to the 2004A Bonds. The form of the 2004A Bonds shall be governed by Section 2.03 of this Second Supplemental Resolution.

The Series 2004A Bonds shall be executed on behalf of the Board by the Chair of the State Board of Education and the Chair of the Board of Governors, or, in either case, by such other authorized persons. The Commissioner of Education, or such other authorized person, shall attest to the above signatures. The corporate seal, or facsimile thereof, of the Division of Bond Finance, the State Board of Education, or the Board of Governors may be affixed to or reproduced on the face of the 2004A Bonds. The Bond Registrar/Paying Agent's certificate of authentication shall appear on the 2004A Bonds, signed by an authorized signatory of said Bond Registrar/Paying Agent. Any of the above signatures may be a facsimile signature imprinted or reproduced on the 2004A Bonds, provided that at least one signature, which may be that of the Bond Registrar/Paying Agent, required to be placed on the Series 2004A Bonds shall be manually subscribed.

A certificate as to the approval of the issuance of the 2004A Bonds pursuant to the provisions of the State Bond Act, in the form provided herein, shall be executed by the facsimile signature of the Secretary of the division of bond Finance.

SECTION 2.03. FORM OF 2004A BONDS. The text of the 2004A Bonds, together with the certificate of authentication to be endorsed thereon, shall be substantially of the following tenor, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Second Supplemental Resolution or any subsequent resolution adopted prior to the issuance thereof, or as may be necessary to comply with applicable laws, rules, and regulations of the United States Government and the State of Florida in effect upon the issuance thereof:

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REGISTERED
NUMBER
R - ___________________

UNITED STATES OF AMERICA
STATE OF FLORIDA
FLORIDA EDUCATION SYSTEM
FLORIDA INTERNATIONAL UNIVERSITY
HOUSING FACILITY REVENUE BOND, SERIES 2004A

MATURITY DATE	_________________
INTEREST RATE	_________________**%**
DATED DATE	_________________
REGISTERED OWNER	_________________ _________________
PRINCIPAL AMOUNT	_________________ **DOLLARS**

THE DIVISION OF BOND FINANCE OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA (the "Division of Bond Finance"), on behalf of the State Board of Education and the Board of Governors, both public bodies corporate, (hereinafter collectively referred to as the "Board"), for value received, hereby promises to pay to the Registered Owner or registered assigns from the special funds hereinafter described, on the maturity date, unless redeemed prior thereto as hereinafter provided, upon the presentation and surrender hereof at the principal office of U.S. Bank Trust National Association, New York, New York, as Bond Registrar/Paying Agent, the principal amount shown above and to pay to the Registered Owner hereof, solely from such special funds, by check or draft mailed to such Registered Owner at his address as it appears at 5:00 p.m. (local time, New York, New York) on the Record Date, on the registration books kept by the Bond Registrar/Paying Agent under the Resolution hereinafter referred to, interest on such principal sum from the date hereof or from the most recent interest payment date to which interest has been paid, whichever is applicable, at the rate per annum specified above until the payment of said principal sum, such interest being payable on the first day of ________ and the first day of __________ in each year. The Record Date for the __________ payment is ___________, and the Record Date for the ___________ payment is ____________. Both the principal of and interest on this Bond are payable in lawful money of the United States of America.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE HEREOF AND SUCH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE.

This Bond may be transferred only upon the books of the Board kept by the Bond Registrar/Paying Agent, under the Resolution, upon surrender at the principal office of the Bond Registrar/Paying Agent with an assignment duly executed by the Registered Owner or his duly authorized attorney, but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution, and upon surrender and cancellation of this Bond. Upon such transfer, there shall be executed in the name of the transferee, and the Bond Registrar/Paying Agent shall deliver a new registered Bond or Bonds in the same aggregate principal amount and series, maturity and interest rate of the authorized denominations as the surrendered Bond or Bonds.

It is hereby certified and recited that all acts, conditions, and things required to exist, to happen, and to be performed precedent to and in the issuance of this Bond, exist, have happened, and have been performed in regular and due form and time as required by the Constitution and laws of the State of Florida applicable thereto, and that the issuance of this Bond and of the issue of Bonds of which this Bond is one, does not violate any Constitutional or Statutory limitation of indebtedness.

IN WITNESS WHEREOF, the Board has caused this Bond to be issued on its behalf by the Division of Bond Finance and has caused the same to be signed by the Chairs of the State Board of Education and the Board of Governors or to be executed with their facsimile signatures, and the corporate seal of the Division of Bond Finance to be affixed hereto or imprinted hereon, attested by the Commissioner of Education with his manual or facsimile signature, all as of the ________ day of _____________________, 2004.

This Bond is one of an authorized issue of Bonds (the "Bonds") in the aggregate principal amount of _________________ Dollars ($_______________) issued to finance the cost of the 2004A Project, as defined in the Resolution, to purchase a municipal bond insurance policy and a reserve account surety bond, to provide for capitalized interest, and to pay certain costs associated with the issuance of the Bonds, under the authority of and in full compliance with the Constitution and statutes of the State of Florida, including particularly Sections 215.57-215.83, Florida Statutes and Sections 1010.60-1010.619, Florida Statutes, and other applicable provisions of law, and a resolution duly adopted by the Governor and Cabinet of the State of Florida as the Governing Board of the Division of Bond Finance, on June 9, 1998, as amended on September 23, 1998 and August 10, 2004 (collectively, the "Resolution") and is subject to all of the terms and conditions of said Resolution.

(Insert Redemption Provisions)

This Bond is secured by a lien upon and is payable on a parity with the outstanding State of Florida, Board of Regents, Florida International University Housing Facility Revenue Bonds, Series 1998, and the outstanding State of Florida, Board of Regents, Florida International University Housing Facility Revenue Bonds, Series 2000, solely from Pledged Revenues.

The Pledged Revenues consist of the revenues of the Housing System after providing for payment of the Administrative Expenses, the Current Expenses, and the Excess Existing Housing Facilities Revenues, if any.

THIS BOND DOES NOT CONSTITUTE AN OBLIGATION, EITHER GENERAL OR SPECIAL, OF THE STATE OF FLORIDA OR OF ANY LOCAL GOVERNMENT THEREOF, AND NEITHER THE STATE OF FLORIDA NOR ANY LOCAL GOVERNMENT THEREOF SHALL BE LIABLE THEREON, NOR SHALL THE FAITH, REVENUES AND CREDIT OF THE STATE OF FLORIDA OR OF ANY LOCAL GOVERNMENT THEREOF BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS. THE BONDS ARE PAYABLE, AS TO PRINCIPAL, PREMIUM, IF ANY, AND INTEREST, SOLELY FROM THE PLEDGED REVENUES AS MORE SPECIFICALLY DEFINED IN THE RESOLUTION.

This Bond is a "revenue bond" within the meaning of Article VII, Section 11(d), of the Constitution of Florida, and shall be payable solely from the special funds described herein and more specifically in the Resolution, which special funds are derived directly from sources other than State tax revenues.

This Bond has all the qualities and incidents of a negotiable investment security under the Uniform Commercial Code - Investment Securities Law of the State of Florida, pursuant to the Statutes under which this Bond is issued, and the original Registered Owner and each successive Registered Owner of this Bond, shall be conclusively deemed, by his acceptance hereof, to have agreed that this Bond shall have all the qualities and incidents of negotiable instruments.

STATE BOARD OF EDUCATION

____
Chair

BOARD OF GOVERNORS

____
Chair

(S E A L)

ATTEST:

____
COMMISSIONER OF EDUCATION

BOND REGISTRAR/PAYING AGENT'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the issue described in the within-mentioned Resolution.

U. S. BANK TRUST NATIONAL ASSOCIATION, NEW YORK, NEW YORK, AS BOND REGISTRAR/PAYING AGENT

By ________________________________
Authorized Signature

____
Date of Authentication

APPROVAL CERTIFICATE OF THE DIVISION OF BOND FINANCE

The issuance of these Bonds has been approved under the provisions of the State Bond Act, comprising Sections 215.57 through 215.83, Florida Statutes, by the governing board of the Division of Bond Finance.

DIVISION OF BOND FINANCE OF THE STATE BOARD OF ADMINISTRATION

By ____

J. Ben Watkins III
Assistant Secretary of the Governing Board of the Division of Bond Finance of the State Board of Administration

CERTIFICATE OF THE STATE BOARD OF ADMINISTRATION

The issuance of this Bond has been approved by the State Board of Administration of Florida, as required by law. This Certificate is made in compliance with Section 215.73, Florida Statutes.

STATE BOARD OF ADMINISTRATION OF FLORIDA

By ____

JEB BUSH, Governor of the State of Florida, as Chairman of the State Board of Administration of Florida

CERTIFICATE OF VALIDATION

This Bond is one of a series of Bonds which was validated and confirmed by Judgment of the Circuit Court of the Second Judicial Circuit, in and for Leon County, Florida, rendered on ___________, 2004.

By ____

JEB BUSH, Governor of the State of Florida, as Chairman of the Governing Board of the Division of Bond Finance of the State Board of Administration of Florida

ASSIGNMENT

For value received the undersigned
sells, assigns and transfers unto

____

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS INCLUDING ZIP CODE OF ASSIGNEE)

____

the within State of Florida, Florida Education System, Florida International University Housing Facility Revenue Bond, Series 2004A, and hereby irrevocable constitutes and appoints________________________________, attorney to transfer the said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated ______________________

Witness:

____

(Remainder of page intentionally left blank)

ARTICLE III
APPLICATION OF PROCEEDS

SECTION 3.01. CONSTRUCTION OF THE 2004A PROJECT. The Board is authorized to construct the 2004A Project from the proceeds of the sale of the 2004A Bonds and other legally available funds, subject to the provisions of this Second Supplemental Resolution and the applicable laws of Florida.

SECTION 3.02. APPLICATION OF SERIES 2004A BOND PROCEEDS. (A) Upon receipt of the proceeds of the sale of the 2004A Bonds, and after reserving an amount sufficient to pay all costs and expenses incurred in connection with the preparation, issuance and sale of the 2004A Bonds, including a reasonable charge for the services of the Division of Bond Finance for its fiscal services and for arbitrage rebate compliance program set-up, the Division of Bond Finance shall transfer and deposit the remainder of the Series 2004A Bond proceeds as follows:

(1) An amount which together with other moneys available therefor and on deposit in the Reserve Account is equal to the Reserve Requirement, shall be transferred to the Board of Administration and deposited into the Reserve Account in the Sinking Fund to be used solely for the purpose of the Reserve Account. Alternatively, the Division of Bond Finance, as provided in Section 4.02(A) of the Original Resolution, may elect at any time to provide in lieu of all or a portion of such funds a Reserve Account Credit Facility in an amount equal to the difference between the Reserve Requirement and the sums then on deposit in the the Reserve Account.

(2) Any accrued interest or amounts to be used to pay interest for a specified period of time shall be transferred to the Board of Administration and deposited into the Sinking Fund, created by the Original Resolution, and used for the payment of interest on the 2004A Bonds.

(3) After making the transfers provided for in subsections (1) and (2) above, the balance of the proceeds of the 2004A Bonds shall be transferred to and deposited into the 2004A Project Construction Fund, which is hereby created in the State Treasury.

(B) Any unexpended balance remaining in the 2004A Project Construction Fund, after a consulting architect shall certify that the 2004A Project has been completed and all costs thereof paid or payment provided for, shall be either (i) applied to fixed capital outlay projects of the Housing System (as defined in the Original Resolution), provided that such application of does not result in a violation of Section 6.04 of the Original Resolution, or (ii) deposited in the Sinking Fund.

(C) In addition to the aforementioned proceeds of the 2004A Bonds, the Board covenants that it will deposit into the 2004A Project Construction Fund additional funds legally available for the purposes of such fund which, together with the proceeds of the 2004A Bonds, will be sufficient to finance the total 2004A Project Costs. Any such additional funds, other than the proceeds of the 2004A Bonds or Completion Bonds, shall be derived from sources and in a manner which will not jeopardize the security of the 2004A Bonds issued pursuant to this Second Supplemental Resolution.

(D) All moneys in said 2004A Project Construction Fund shall constitute a trust fund for such purposes and there is hereby created a lien upon such funds in favor of the Registered Owners of 2004A Bonds issued pursuant to this Second Supplemental Resolution, until such funds are applied as provided herein, except to the extent such moneys are required for the payment of any Rebate Amount, and all moneys in such funds shall be continuously secured in the manner now provided by the laws of the State for securing deposits of state funds.

SECTION 3.03. INVESTMENT OF 2004A PROJECT CONSTRUCTION FUND. Any moneys in the 2004A Construction Fund not immediately needed for the purposes provided in this Second Supplemental Resolution, may be temporarily invested and reinvested as provided in Section 17.57, Florida Statutes.

ARTICLE IV
SECURITY FOR THE 2004A BONDS; COMPLETION BONDS

SECTION 4.01. 2004A BONDS ON A PARITY WITH THE OUTSTANDING BONDS. The 2004A Bonds shall be payable on a parity and rank equally as to lien on and source and security for payment from the Pledged Revenues and in all other respects, with the Outstanding Bonds.

SECTION 4.02. BONDS SECURED BY ORIGINAL RESOLUTION. The 2004A Bonds shall be deemed to have been issued pursuant to the Original Resolution as fully and to the same extent as the Outstanding Bonds and all of the covenants and agreements contained in the Original Resolution shall be deemed to have been made for the benefit of the Registered Owners of the 2004A Bonds as fully and to the same extent as to the Registered Owners of the Outstanding Bonds.

All of the covenants, agreements, and provisions of the Original Resolution, except to the extent inconsistent herewith, shall be deemed to be part of this Second Supplemental Resolution to the same extent as if incorporated verbatim in this Second Supplemental Resolution, and shall be fully enforceable in the manner provided in the Original Resolution by any of the Registered Owners of the 2004A Bonds.

SECTION 4.03. COMPLETION BONDS. The Board and the Division of Bond Finance need not comply with Section 5.01 of the Original Resolution in the issuance of Completion Bonds, provided that the net proceeds of such Completion Bonds available for deposit into the 2004A Project Construction Fund for such costs shall be equal to or less than 20% of the original estimated cost of the 2004A Project at the time of the original issuance of the 2004A Bonds.

ARTICLE V
MISCELLANEOUS; AMENDMENT OF ORIGINAL RESOLUTION

SECTION 5.01. RESOLUTION NOT ASSIGNABLE. This Second Supplemental Resolution shall not be assignable by the Division of Bond Finance or the Board of Administration, except for the benefit of the Registered Owners; provided, however, the Board may lease, from time to time, to other tenants such portion or portions of the Housing System as are not needed by the Board, to the extent that any such lease would not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

SECTION 5.02. MODIFICATION OR AMENDMENT. Modification or amendment hereof shall be governed by Section 8.02 of the Original Resolution, as amended.

SECTION 5.03. CONTINUING DISCLOSURE. (A) In order to comply with Rule 15c2-12 of the Securities and Exchange Commission, the Board hereby agrees to provide or cause to be provided such information as may be required, from time to time, under such rule.

(B) The Director of the Division of Bond Finance, in conjunction with the appropriate officer of the Board, is authorized and directed to execute and deliver any documents or agreement which are necessary to comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission.

SECTION 5.04. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants or provisions of this Second Supplemental Resolution shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants or provisions shall be null and void and shall be deemed separable from the remaining covenants or provisions of this Second Supplemental Resolution or of the Bonds and shall in no way affect the validity or enforceability of any other covenants, agreements or provisions of this Second Supplemental Resolution or of the 2004A Bonds issued hereunder.

SECTION 5.05. FISCAL AGENT. Upon the sale and delivery of the 2004A Bonds by the Division of Bond Finance, the Board of Administration shall act as the fiscal agent for the Board with respect to the 2004A Bonds.

SECTION 5.06. VALIDATION AUTHORIZED. The attorneys for the Division of Bond Finance are hereby authorized to institute proceedings to validate the 2004A Bonds pursuant to Chapter 75, Florida Statutes.

SECTION 5.07. AMENDMENT OF ORIGINAL RESOLUTION. The Original Resolution is amended as follows. Language to be added to the Original Resolution is indicated by <u>underlining</u>, and language to be deleted from the Original Resolution is indicated by ~~strike-throughs~~.

(A) Section 1.01 of the Original Resolution is hereby amended as follows:

SECTION 1.01. DEFINITIONS. The following terms shall have the following meanings in this Resolution unless the text otherwise requires:

. . .

"Outstanding" shall mean, as of any date of determination, all Bonds theretofore authenticated and delivered except:

. . . .

<u>(v) Bonds with respect to which debt service has been paid pursuant to a Bond Insurance Policy, to the extent that the amount of such payment has been reimbursed to the issuer of such Bond Insurance Policy (or monies have been deposited to defease such payment).</u>

(B) Section 7.01 of the Original Resolution is amended by adding Subsection (C) thereto, as follows:

<u>(C) For purposes of exercising remedies pursuant to this section, the issuer of a Bond Insurance Policy for Bonds issued after August 10, 2004, shall be deemed the sole Registered Owner of Bonds it has insured, provided that the issuer of such Bond Insurance Policy has not failed to comply with its payment obligations under the Bond Insurance Policy and the ratings on the insured Bonds, based on the Bond Insurance Policy, are no lower than the "A" category by each Rating Agency which has rated such Bonds, including any rating modifiers.</u>

(C) The second paragraph of Section 8.02 of the Original Resolution is amended to read as follows:

SECTION 8.02 MODIFICATION OR AMENDMENT.

. . . .

For purposes of this section, except where the consent of all Registered Owners of a Series of Bonds is required, to the extent any Series of Bonds is insured by a Bond Insurance Policy and such Series of Bonds is then rated in as high a rating category as the rating category in which such Series of Bonds was rated at the time of initial delivery thereof by a Rating Agency, then the consent of the issuer of the Bond Insurance Policy shall constitute the consent of the Registered Owners of such Series. <u>Where the consent of all Registered Owners of a Series of Bonds is required, to the extent such Series of Bonds is secured by a Bond Insurance Policy and such Series of Bonds is then rated in a category at least as high as that in effect at the time of the initial delivery thereof, the consent of the issuer of the Bond Insurance Policy shall be required in addition to the consent of the Registered Owners.</u>

(D) Section 8.05 of the Original Resolution is amended by adding Subsection (G) thereto as follows:

SECTION 8.05 DEFEASANCE.

. . .

<u>(G) Notwithstanding the foregoing, the covenants, liens and pledges entered into, created or imposed pursuant to this Resolution shall not be discharged and satisfied with respect to any of the Bonds with respect to which debt service has been paid pursuant to a Bond Insurance Policy, to the</u>

extent that the amount so paid has not been reimbursed to the issuer of such Bond Insurance Policy (or monies have not been deposited as set forth above to provide for payment of such amounts). The bond insurer shall be subrogated to the rights of the Registered Owners of Bonds with respect to which it has made payments pursuant to a Bond Insurance Policy.

SECTION 5.08. REPEAL OF INCONSISTENT RESOLUTIONS. All resolutions and parts of resolutions heretofore adopted pertaining to the subject matter of this Second Supplemental Resolution, to the extent that they are inconsistent with this Second Supplemental Resolution, be and the same are hereby repealed, revoked, and rescinded, but only to the extent of any such inconsistencies. The authority for the issuance and delivery of the unissued portion of the State of Florida, Board of Regents, Florida International University Housing Facility Revenue Bonds, Series 2000, is hereby canceled.

SECTION 5.09. SUCCESSOR AGENCIES AND OFFICIALS. Any references in the Resolution to offices, bodies, or agencies which have been or are superceded, replaced or abolished by law shall be deemed to refer to the successors of such offices, bodies, and agencies. Any action required or authorized to be taken by an official whose office, body, or agency has been or is so superceded, replaced, or abolished shall be taken by the successor to such official.

SECTION 5.10. CONFIRMATION OF ORIGINAL RESOLUTION. As amended and supplemented by this Fourth Supplemental Resolution, the Original Resolution is in all respects ratified and confirmed, and this Fourth Supplemental Resolution shall be read, taken, and construed as a part of the Original Resolution.

SECTION 5.11. EFFECTIVE DATE. This Second Supplemental Resolution shall take effect immediately upon its adoption.

ADOPTED on August 10, 2004.

APPENDIX D

DIVISION OF BOND FINANCE
OF THE
STATE BOARD OF ADMINISTRATION
OF FLORIDA

A RESOLUTION
(THE FOURTH SUPPLEMENTAL RESOLUTION)
AUTHORIZING THE ISSUANCE AND SALE OF
STATE OF FLORIDA, BOARD OF GOVERNORS,
FLORIDA INTERNATIONAL UNIVERSITY
DORMITORY REVENUE REFUNDING BONDS,
SERIES (TO BE DETERMINED)

September 20, 2011

A RESOLUTION (THE FOURTH SUPPLEMENTAL RESOLUTION) AUTHORIZING THE ISSUANCE AND SALE OF STATE OF FLORIDA, BOARD OF GOVERNORS, FLORIDA INTERNATIONAL UNIVERSITY DORMITORY REVENUE REFUNDING BONDS, SERIES (TO BE DETERMINED), REFUNDING ALL OR A PORTION OF CERTAIN OUTSTANDING BONDS OF THE UNIVERSITY; AND PROVIDING FOR AN EFFECTIVE DATE.

BE IT RESOLVED BY THE GOVERNOR AND CABINET OF THE STATE OF FLORIDA, AS THE GOVERNING BOARD OF THE DIVISION OF BOND FINANCE OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA:

ARTICLE I

DEFINITIONS; AUTHORITY; RESOLUTION TO CONSTITUTE CONTRACT

SECTION 1.01. DEFINITIONS. All of the definitions contained in Article I of the Original Resolution (as defined herein), in addition to the definitions contained herein and except to the extent inconsistent with or amended by definitions contained herein, shall apply fully to the Outstanding Bonds and the Refunding Bonds (as defined herein).

"1998 Bonds" means the $26,525,000 State of Florida, Board of Regents, Florida International University Housing Facility Revenue Bonds, Series 1998.

"2000 Bonds" means the $14,605,000 State of Florida, Board of Regents, Florida International University Housing Facility Revenue Bonds, Series 2000.

"2004A Bonds" means the $53,915,000 State of Florida, Florida Education System, Florida International University Housing Facility Revenue Bonds, Series 2004A.

"Assistant Secretary" means an Assistant Secretary of the Division.

"**Board of Governors" or "Board"** means the Board of Governors created by Article IX, Section 7 of the Florida Constitution, and includes any other entity succeeding to the powers thereof.

"Bond Registrar/Paying Agent" means U.S. Bank Trust National Association, New York, New York, or its successor.

"Bond Year" means, with respect to a particular Series of Bonds issued hereunder, the annual period relevant to the application of Section 148(f) of the Code to the Series of Bonds, except that the first and last Bond Years may be less than 12 months long. The last day of a Bond Year shall be the close of business on the day preceding the anniversary of the date of issuance of the Series unless the Division selects another date on which to end a Bond Year in the manner permitted by the Code.

"Code" means the Internal Revenue Code of 1986, as amended, and temporary, proposed or permanent implementing regulations promulgated thereunder.

"Director" means the Director of the Division or any Assistant Secretary delegated authority by the Director.

"Division" means the Division of Bond Finance of the State Board of Administration of Florida.

"Housing System" means the facilities enumerated in the Original Resolution, as amended and supplemented.

"Original Resolution" means the resolution adopted on June 9, 1998 by the Governing Board, authorizing the issuance of the 1998 Bonds, as amended by the Sale Resolution for the 1998 Bonds adopted on September 23, 1998, and as further amended by the Fourth Supplemental Resolution.

"Outstanding Bonds" means the Outstanding 1998 Bonds, the Outstanding 2000 Bonds, and the Outstanding 2004A Bonds.

"Rebate Amount" means the excess of the amount earned on all nonpurpose investments (as defined in Section 148(f)(6) of the Code) over the amount which would have been earned if such nonpurpose investments were invested at a rate equal to the yield on the Bonds, plus any income attributable to such excess.

"Refunded Bonds" means all or a portion of the Outstanding State of Florida, Board of Regents, Florida International University Housing Facility Revenue Bonds, Series 1998 and Series 2000.

"Refunding Bonds" means the State of Florida, Board of Governors, Florida International University Dormitory Revenue Refunding Bonds, Series (to be determined) authorized by this Fourth Supplemental Resolution.

"Resolution" means the Original Resolution, as supplemented and amended through the date of this resolution.

"Fourth Supplemental Resolution" means this resolution authorizing the issuance and competitive sale of the Refunding Bonds.

Where the context so requires, words importing singular number shall include the plural number in each case and vice versa, words importing persons shall include firms and corporations, and the masculine includes the feminine and vice versa.

SECTION 1.02. AUTHORITY FOR THIS RESOLUTION. This Fourth Supplemental Resolution is adopted pursuant to the provisions of Article VII, Section 11(d) of the Florida Constitution; Section 215.57-215.83 (the "State Bond Act"); Section 1010.62, Florida Statutes, and other applicable provisions of law; and Section 5.01 of the Original Resolution, and is supplemental to said Original Resolution.

SECTION 1.03. RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the acceptance of the Refunding Bonds by the Registered Owners, the Resolution shall be deemed to be and shall constitute a contract among the Division, the Board of Governors, the University and such Registered Owners. The covenants and agreements to be performed by the Board and the University shall be for the equal benefit, protection, and security of the Registered Owners of any and all of the Outstanding Bonds and the Refunding Bonds, all of which shall be of equal rank and without preference, priority, or distinction as to any of such Bonds over any other thereof, except as expressly provided therein and herein.

ARTICLE II

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION, TRANSFER, ISSUANCE, FORM OF BONDS, AND AUTHORIZATION TO EXECUTE ESCROW DEPOSIT AGREEMENT

SECTION 2.01. AUTHORIZATION OF ISSUANCE AND SALE OF REFUNDING BONDS. (A) Subject and pursuant to the provisions of the Resolution, fully registered revenue bonds of the Board to be known as "State of Florida, Board of Governors, Florida International University Dormitory Revenue Refunding Bonds, Series (to be designated)" (or such other designation as may be determined by the Director), are hereby authorized to be issued and to be sold at competitive sale in an aggregate principal amount not exceeding $26,000,000 on a date and at the time to be set out or provided for in the Notice of Bond Sale to be published as provided in this Fourth Supplemental Resolution. The Refunding Bonds shall be sold to refund the Refunded Bonds. The Refunding Bonds may be combined with, designated the same as, and sold with any other series of Florida International University Dormitory Revenue Bonds. The maturities or portions of maturities to be refunded shall be as determined by the Director to be in the best financial interest of the State. The redemption of the Refunded Bonds on or after their first call date is hereby authorized.

(B) The Director is hereby authorized to determine the most advantageous date and time of sale and to publish the Notice of Bond Sale of the Refunding Bonds, or an abbreviated version thereof, in *The Bond Buyer*, New York, New York, or another financial journal, such publication to be not less than 10 days prior to the date of sale; and to publish such Notice of Bond Sale in such other newspapers on such date as may be deemed appropriate by the Director;

provided, that if no bids are received at the time and place called for in the Notice of Bond Sale, or if all bids received are rejected, such Refunding Bonds may again be offered for sale upon reasonable notice, the timing and manner of which shall be determined by the Director. Bids for the purchase of the Refunding Bonds will be received at the office of the Division or at another location designated in the Notice of Bond Sale, until the time and date of sale specified or provided for in the Notice of Bond Sale. Any prior publication of a Notice of Bond Sale, or abbreviated version thereof, is hereby ratified.

(C) The Director is hereby authorized to publish and distribute a Notice of Bond Sale and a proposal for the sale of the Refunding Bonds. The Notice of Bond Sale shall be in such form as shall be determined by the Director and shall contain such information as is consistent with the terms of the Resolution which the Director determines is in the best financial interest of the State. Any prior distribution of a Notice of Bond Sale and proposal for sale is hereby ratified.

(D) The Director is hereby authorized to prepare and distribute preliminary and final official statements in connection with the public offering of the Refunding Bonds. The Director is further authorized and directed to amend, supplement or complete the information contained in the preliminary official statement, as may be needed, and to furnish such certification as to the completeness and finality of the preliminary official statement as is necessary to permit the successful bidder to fulfill its obligations under any applicable securities laws. The Chairman and Secretary of the Governing Board and the Director are hereby authorized to execute the final official statement in connection with the public offering of the Refunding Bonds, and the execution thereof by any of the authorized individuals shall be conclusive evidence that the Governing Board has approved the form and content of the final official statement and that the final official statement is complete as of its date.

(E) The Director is hereby authorized to have up to 1,500 copies of the preliminary official statement and 3,500 copies (plus such additional copies as may be requested by the successful bidder at the expense of the successful bidder) of the final official statement relating to the public offering of the Refunding Bonds printed and distributed; to contract with national rating services and providers of municipal bond insurance and Reserve Account Credit Facilities; to retain bond counsel; to make a determination that the preliminary official statement is "deemed final" for purposes of SEC Rule 15c2-12(b)(1); to conduct information meetings; and to take such other actions as may be deemed appropriate for the dissemination of information relating to the sale of the Refunding Bonds. Any prior printing and distribution of a preliminary official statement is hereby ratified.

(F) The Secretary or any Assistant Secretary of the Governing Board is hereby authorized and empowered to award said Refunding Bonds when offered, on his determination of the best proposal, as defined in the Notice of Bond Sale, submitted in accordance with the terms of the Notice of Bond Sale provided for herein, and such award shall be final. The Director or any Assistant Secretary of the Governing Board shall report such sale to the Governing Board after award of the Refunding Bonds. The Secretary or any Assistant Secretary of the Governing Board is authorized to deliver such Refunding Bonds to the purchasers thereof upon payment of the purchase price, together with any accrued interest to the date of delivery, and to distribute the proceeds of the Refunding Bonds as provided by this resolution and other proceedings authorizing the issuance of the Refunding Bonds.

(G) The Refunding Bonds shall be executed in the name of the Board of Governors by its Chair, or by such other authorized person. Any of the signatures required hereinabove may be a facsimile signature imprinted or reproduced on the Refunding Bonds. In case any one or more of the officers who shall have signed any of the Refunding Bonds shall cease to be such officer before the Refunding Bonds so signed and sealed shall have been actually sold and delivered, the Refunding Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Refunding Bonds had not ceased to hold office.

(H) A certificate as to the approval of the issuance of the Refunding Bonds, shall be executed by the facsimile signature of the Secretary of the Governing Board, an Assistant Secretary, or as otherwise provided by law.

(I) U.S. Bank Trust National Association, or its successor, is hereby designated as Bond Registrar/Paying Agent for the Refunding Bonds on the terms and conditions set forth in the Registrar, Paying Agent and Transfer Agreement by and between the Board of Administration and U.S. Bank Trust National Association or its successor.

(J) The Interest Payment Dates and the Principal Payment Dates for the Refunding Bonds shall be as set forth in the Notice of Bond Sale. Interest on the Refunding Bonds shall be paid by check or draft mailed on the Interest Payment Date (or, in certain cases, may be paid by wire transfer at the election of a Registered Owner, other than a securities depository, in the manner and under the terms provided for in the State's agreement with the Bond Registrar/Paying Agent, provided that such Registered Owner advances to the Bond Registrar/Paying Agent the amount, if any, necessary to pay the wire charges or authorizes the paying agent to deduct the amount of such payment) to the Registered Owner thereof as of 5:00 p.m. New York time on the Record Date shown on the registration books maintained by the Bond Registrar/Paying Agent for the Refunding Bonds.

(K) The Refunding Bonds shall be dated, shall mature in such years and amounts and shall bear interest commencing on such date as set forth or provided for in the Notice of Bond Sale, a copy of which, as published, shall be retained in the files of the Division with this Fourth Supplemental Resolution. The Refunding Bonds shall be issued in denominations of $1,000 or any integral multiple thereof unless otherwise provided in the Notice of Bond Sale. The Refunding Bonds shall be payable at the corporate trust office of U.S. Bank Trust National Association, New York, New York, or its successor.

(L) The Refunding Bonds shall be subject to redemption as provided in the Notice of Bond Sale. The Notice of Bond Sale shall contain such redemption provisions as shall be determined by the Director to be in the best financial interest of the State. Upon election by the successful bidder as provided in the Notice of Bond Sale, a portion of the Refunding Bonds identified in such election may be designated as Term Bonds. Additionally, in lieu of mailing the notice of redemption, the Bond Registrar/Paying Agent may elect to provide such notice by electronic means to any Registered Owner who has consented to such method of receiving notices.

(M) The incremental increase in the Reserve Requirement, if any, attributable to the Refunding Bonds shall be funded with proceeds of the Refunding Bonds, amounts previously on deposit in a reserve account on behalf of the Refunded Bonds, a Reserve Account Credit Facility, or some combination thereof, as determined by the Director. The incremental increase, if any, in the Reserve Requirement attributable to the Refunding Bonds shall be deposited in the Reserve Account which was created pursuant to Section 4.02(A) of the Original Resolution. Amounts on deposit in the Reserve Account may be commingled with the amounts deposited for Bonds of additional Series which are secured thereby, shall be held for the benefit of the Registered Owners of only such Bonds as may be specifically secured by the Reserve Account, and shall be applied in the manner provided in the Original Resolution.

Notwithstanding the provisions of the Original Resolution, the Reserve Account for the Refunding Bonds authorized by this Resolution shall be funded in an amount determined by the Director, which shall not exceed the Reserve Requirement for the Refunding Bonds. Such amount may be zero. The amount of the Reserve Requirement funded from the proceeds of the Refunding Bonds shall not exceed the amount permitted under the Code.

The Reserve Requirement for the Refunding Bonds, if any, shall be deposited, as determined by the Director, in either a subaccount in the Reserve Account established for any of the Outstanding Bonds or in a subaccount in such Reserve Account which is hereby established for the Refunding Bonds. Amounts on deposit in any subaccount in the Reserve Account may be commingled with the amounts deposited for Bonds of additional Series which are secured thereby, shall be held for the benefit of the Registered Owners of only such Bonds as may be specifically secured by the respective subaccount, and shall be applied in the manner provided in the Resolution.

(N) Any portion of the Refunding Bonds may be issued as a separate series, provided that the Refunding Bonds of each series shall be numbered consecutively from one upward. The Refunding Bonds referred to herein may be sold separately or combined with any other Bonds authorized by the Division to be sold.

(O) The Director is hereby authorized to offer for sale a lesser principal amount of Refunding Bonds than that set forth in this resolution and to adjust the maturity schedule and redemption provisions for the Refunding Bonds, if necessary, to reflect the issuance of such lesser amount, and to modify the Notice of Bond Sale as may be required. Any portion of the Refunding Bonds not offered shall remain authorized to be offered at a later date.

(P) The Director is authorized to provide in the Notice of Bond Sale of the Refunding Bonds that the purchase price for the Refunding Bonds may include a discount of not to exceed 3%, excluding original issue discount, if any, of the aggregate principal amount of such Refunding Bonds offered for sale.

(Q) The Chairman, Secretary and any Assistant Secretary of the Governing Board, the Director, and such other officers and employees of the Division as may be designated by the Governing Board as agents of the Division in connection with the issuance and delivery of the Refunding Bonds, are authorized and empowered, collectively or individually, to take all actions and steps, to execute all instruments, documents, and contracts, and to take all other action on behalf of the Division, in each case as they may deem necessary or desirable, in connection with the execution and delivery of the Refunding Bonds, including but not limited to, contracting with a consultant to verify escrow calculations of the Refunding Bonds, retaining bond counsel to render a special tax opinion relating to the use of the proceeds from the sale of the Refunding Bonds, and providing for redemption of the Refunded Bonds. Notwithstanding anything contained in the Resolution to the contrary, it is the intent of the Division that interest on the Refunding Bonds, if issued as tax-exempt Refunding Bonds, be and remain excluded from gross income for federal income tax purposes and therefore to comply with all requirements of federal tax law applicable to such tax-exempt Refunding Bonds, whether such requirements are now in effect, pending or subsequently enacted. The Division is hereby authorized and directed to take all actions necessary with respect to the Refunding Bonds to comply with such requirements of federal tax law.

SECTION 2.02. AUTHORIZATION TO EXECUTE AND DELIVER AN ESCROW DEPOSIT AGREEMENT; DESIGNATION OF ESCROW AGENTS. The Chairman and Secretary or an Assistant Secretary of the Governing Board and such other officers and employees of the Division as may be designated by the Governing Board as agents of the Division are hereby each authorized to execute and deliver an Escrow Deposit Agreement on behalf of the Division in such form as may be determined by the Director for the purpose of providing for the deposit of a portion of the proceeds of the Refunding Bonds and such other funds as determined to be necessary into an escrow deposit trust fund for the refunding of the Refunded Bonds. The escrow deposit trust fund shall be held and administered by an escrow agent acceptable to the Director as evidenced by the Director's execution of the Escrow Deposit Agreement.

SECTION 2.03. APPLICABILITY OF ARTICLE II OF THE ORIGINAL RESOLUTION. Except as otherwise provided in this Fourth Supplemental Resolution, the terms, description, execution, negotiability, redemption, authentication, disposition, replacement, registration, transfer, issuance and form of the Refunding Bonds shall be governed by the provisions of Article II of the Original Resolution, adjusted to the extent necessary to apply to the Refunding Bonds.

SECTION 2.04. FORM OF REFUNDING BONDS.(A) Notwithstanding anything to the contrary in this Resolution, or any other resolution relating to the Refunding Bonds, the Refunding Bonds may be issued in book-entry only form utilizing the services of a Securities Depository (as used herein, "Securities Depository" means The Depository Trust Company, New York, New York, or its nominees, successors and assigns).

So long as a book-entry only system of evidence of transfer of ownership of all the Refunding Bonds is maintained in accordance herewith, any provision of the Resolution relating to the delivery of physical bond certificates shall be inapplicable, and the Resolution shall be deemed to give full effect to such book-entry system.
If the Refunding Bonds are issued in book-entry only form:

(1) The Refunding Bonds shall be issued in the name of the Securities Depository as Registered Owner of the Refunding Bonds, and held in the custody of the Securities Depository or its designee.

(2) Transfers of beneficial ownership of the Refunding Bonds will be effected on the records of the Securities Depository and its Participants pursuant to rules and procedures established by the Securities Depository ("Participants" include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations, as well other organizations that clear through or maintain a custodial relationship with such organizations, either directly or indirectly).

(3) Each Participant shall be credited in the records of the Securities Depository with the amount of such Participant's interest in the Refunding Bonds. Beneficial ownership interests in the Refunding Bonds may be purchased by or through Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "Beneficial Owners." The Beneficial Owners shall not receive Refunding Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the Participant from which such Beneficial Owner purchased its Refunding Bonds. Transfers of ownership interests in the Refunding Bonds shall be accomplished by book entries made by the Securities Depository and, in turn, by Participants acting on behalf of Beneficial Owners.

(4) Unless otherwise provided herein, the Division of Bond Finance, the Board of Governors, the Board of Administration, and the Bond Registrar/Paying Agent (as used in this section, the "State and its agents") shall treat the Securities Depository as the sole and exclusive owner of the Refunding Bonds registered in its name for the purposes of

(a) payment of the principal of, premium, if any, and interest on the Refunding Bonds or portion thereof to be redeemed or purchased. Payments made to the Securities Depository of principal, premium, and interest shall be valid and effective to fully satisfy and discharge the Board of Governors' obligations to the extent of the sums so paid;

(b) giving any notice permitted or required to be given to Registered Owners under the Resolution; and

(c) the giving of any direction or consent or the making of any request by the Registered Owners hereunder. The State and its agents may rely conclusively upon

(i) a certificate of the Securities Depository as to the identity of the Participants with respect to the Refunding Bonds; and

(ii) a certificate of any such Participant as to the identity of, and the respective principal amount of Refunding Bonds beneficially owned by, the Beneficial Owners.

(5) The State and its agents shall have no responsibility or obligations to the Securities Depository, any Participant, any Beneficial Owner or any other person which is not shown on the Refunding Bond Register, with respect to

(a) the accuracy of any records maintained by the Securities Depository or any Participant;

(b) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption or purchase price of, or interest on, any Refunding Bond;

(c) the delivery of any notice by the Securities Depository or any Participant;

(d) the selection of the Participants or the Beneficial Owners to receive payment in the event of any partial redemption of the Refunding Bonds; or

(e) any consent given or any other action taken by the Securities Depository or any Participant.

(6) The requirements in the Resolution of holding, delivering or transferring Refunding Bonds shall be deemed modified to require the appropriate person to meet the requirements of the Securities Depository as to registering or transferring the book-entry Refunding Bonds to produce the same effect. Any provision hereof permitting or requiring delivery of the Refunding Bonds shall, while the Refunding Bonds are in book-entry only form, be satisfied by the notation thereof on the books of the Securities Depository in accordance with applicable state law.

(B) The Division of Bond Finance may discontinue the book-entry system with the then-current securities depository, subject to the terms of its agreement with such securities depository. In this event, the Division of Bond Finance shall either

(1) identify another qualified securities depository or

(2) prepare and deliver replacement Refunding Bonds in the form of fully registered bonds to each Beneficial Owner.

ARTICLE III

APPLICATION OF PROCEEDS

SECTION 3.01. APPLICATION OF REFUNDING BOND PROCEEDS. Upon receipt of the proceeds of the sale of the Refunding Bonds the Division shall transfer and apply such proceeds as follows:

(A) The amount necessary to pay all costs and expenses of the Division in connection with the preparation, issuance, and sale of the Refunding Bonds, including a reasonable charge for the services of the Division for its fiscal services and for arbitrage rebate compliance program set-up, shall be transferred to the Division and deposited in the Bond Fee Trust Fund.

(B) Any accrued interest on the Refunding Bonds shall be transferred to the Board of Administration and deposited in the Sinking Fund, and used for the payment of interest on the Refunding Bonds.

(C) An amount necessary to fund the incremental increase in the Reserve Requirement, if any, attributable to the Refunding Bonds, to be held in reserve, shall be transferred to the Board of Administration and deposited in the Reserve Account within the Sinking Fund. Alternatively, the Division, as provided in Section 4.02 of the Original Resolution, may elect at any time to provide in lieu of all or a portion of such funds a Reserve Account Credit Facility in an amount equal to the difference between the Reserve Requirement and the sums then on deposit in the Reserve Account.

(D) An amount together with the interest earnings thereon, and other amounts deposited therein which is anticipated to be sufficient to pay when due (1) the principal amount of the Refunded Bonds, (2) the amount of interest and redemption premium payable on the Refunded Bonds, and (3) the amount of fees and expenses estimated to be incurred in connection with the payment and retirement of the Refunded Bonds, shall be either transferred and deposited in escrow pursuant to the terms of the Escrow Deposit Agreement or, at the discretion of the Director, deposited with the Bond Registrar/Paying Agent.

(E) Any balance of the proceeds of the Refunding Bonds after providing for the requirements of subsections (A) through (D) above shall be transferred to the Sinking Fund and used for the purposes set forth therein.

ARTICLE IV

SECURITY FOR THE BONDS

SECTION 4.01. REFUNDING BONDS ON A PARITY WITH THE OUTSTANDING BONDS. The Refunding Bonds shall be payable on a parity, and rank equally as to lien on and source and security for payments from the Pledged Revenues and in all other respects, with the other Outstanding Bonds.

SECTION 4.02. REFUNDING BONDS SECURED BY ORIGINAL RESOLUTION. The Refunding Bonds shall be deemed to have been issued pursuant to the Original Resolution, as supplemented by this Fourth Supplemental Resolution, as fully and to the same extent as the Outstanding Bonds, and all of the covenants and agreements contained in the Original Resolution, as amended and supplemented, shall be deemed to have been made for the benefit of the Registered Owners of the Refunding Bonds as fully and to the same extent as the Registered Owners of the Outstanding Bonds.

All of the covenants, agreements, and provisions of the Original Resolution, as amended and supplemented, except to the extent inconsistent herewith, shall be deemed to be part of this Fourth Supplemental Resolution to the same extent as if incorporated verbatim in this Fourth Supplemental Resolution, and shall be fully enforceable in the manner provided in the Original Resolution, as amended and supplemented, by any of the Registered Owners of the Refunding Bonds.

ARTICLE V

MISCELLANEOUS

SECTION 5.01. RESOLUTION NOT ASSIGNABLE. This Fourth Supplemental Resolution shall not be assignable by the Division or the Board of Administration, except for the benefit of the Registered Owners; provided, however, the Board may lease, from time to time, to other tenants such portion or portions of the Housing System as are not needed by the Board, to the extent that any such lease would not adversely affect the Pledged Revenues or the exclusion of interest on any tax-exempt Bonds from gross income for federal income tax purposes.

SECTION 5.02. MODIFICATION OR AMENDMENT. Modification or amendment hereof shall be governed by Section 8.02 of the Original Resolution.

SECTION 5.03. CONTINUING DISCLOSURE. (A) In order to comply with Rule 15c2-12 of the Securities and Exchange Commission, the Board agrees to provide or cause to be provided such information as may be required, from time to time, under such rule.

(B) The Director, in conjunction with the appropriate officer of the Board, is authorized and directed to execute and deliver any documents or agreement which are necessary to comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission.

SECTION 5.04. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants or provisions of this Fourth Supplemental Resolution shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants or provisions shall be null and void and shall be deemed separable from the remaining covenants or provisions of this Fourth Supplemental Resolution or of the Refunding Bonds and shall in no way affect the validity or enforceability of any other covenants, agreements or provisions of this Fourth Supplemental Resolution or of the Refunding Bonds issued hereunder.

SECTION 5.05. FISCAL AGENT. Upon the sale and delivery of the Refunding Bonds by the Division on behalf of the Board, the Board of Administration shall act as the fiscal agent for the Board with respect to the Refunding Bonds.

SECTION 5.06. REPEAL OF INCONSISTENT RESOLUTIONS. All prior or concurrent resolutions or parts of resolutions inconsistent with this resolution are hereby amended by this resolution, but only to the extent of any such inconsistency.

SECTION 5.07. SUCCESSOR AGENCIES AND OFFICIALS. Any references in the Resolution to offices, bodies, or agencies which have been or are superceded, replaced or abolished by law shall be deemed to refer to the successors of such offices, bodies, and agencies. Any action required or authorized to be taken by an official whose office, body, or agency has been or is so superceded, replaced, or abolished shall be taken by the successor to such official.

SECTION 5.08. CONFIRMATION OF ORIGINAL RESOLUTION. As supplemented by this Fourth Supplemental Resolution, the Original Resolution is in all respects ratified and confirmed, and this Fourth Supplemental Resolution shall be read, taken, and construed as a part of the Original Resolution.

SECTION 5.09. AMENDMENT OF ORIGINAL RESOLUTION. The Original Resolution is amended as follows. Language to be added to the Original Resolution is indicated by underlining, and language to be deleted from the Original Resolution is indicated by ~~strike-throughs~~.

(A) Section 1.02 of the Original Resolution is hereby amended as follows:

SECTION 1.02. DEFINITIONS. The following terms shall have the following meanings in this Resolution unless the text otherwise requires:

. . .

"Board of Governors ~~Regents~~" or "Board" shall mean ~~the Board of Regents of the Division of Universities of the State of Florida Department of Education, as created pursuant to the provisions~~

~~of Chapter 240, Florida Statutes~~ the Board of Governors created by Article IX, Section 7 of the Florida Constitution, and includes any other entity succeeding to the powers thereof.

(B) The Original Resolution is further amended to replace all occurrences of the term "Board of Regents" with the term "Board of Governors".

SECTION 5.10. EFFECTIVE DATE. This Fourth Supplemental Resolution shall take effect immediately upon its adoption.

ADOPTED on September 20, 2011.

APPENDIX E

DIVISION OF BOND FINANCE
OF THE
STATE BOARD OF ADMINISTRATION
OF FLORIDA

A RESOLUTION
(THE SIXTH SUPPLEMENTAL RESOLUTION) AUTHORIZING THE ISSUANCE AND SALE OF STATE OF FLORIDA, BOARD OF GOVERNORS, FLORIDA INTERNATIONAL UNIVERSITY DORMITORY REVENUE REFUNDING BONDS, SERIES (TO BE DETERMINED)

March 20, 2012

A RESOLUTION (THE SIXTH SUPPLEMENTAL RESOLUTION) AUTHORIZING THE ISSUANCE AND SALE OF STATE OF FLORIDA, BOARD OF GOVERNORS, FLORIDA INTERNATIONAL UNIVERSITY DORMITORY REVENUE REFUNDING BONDS, SERIES (TO BE DETERMINED), REFUNDING ALL OR A PORTION OF CERTAIN OUTSTANDING BONDS OF THE UNIVERSITY; AMENDING THE ORIGINAL RESOLUTION AND PROVIDING FOR AN EFFECTIVE DATE.

BE IT RESOLVED BY THE GOVERNOR AND CABINET OF THE STATE OF FLORIDA, AS THE GOVERNING BOARD OF THE DIVISION OF BOND FINANCE OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA:

ARTICLE I
DEFINITIONS; AUTHORITY; RESOLUTION TO CONSTITUTE CONTRACT

SECTION 1.01. DEFINITIONS. All of the definitions contained in Article I of the Original Resolution (as defined herein), in addition to the definitions contained herein and except to the extent inconsistent with or amended by definitions contained herein, shall apply fully to the Outstanding Bonds and the Refunding Bonds (as defined herein).

"1998 Bonds" means the $26,525,000 State of Florida, Board of Regents, Florida International University Housing Facility Revenue Bonds, Series 1998.

"2000 Bonds" means the $14,605,000 State of Florida, Board of Regents, Florida International University Housing Facility Revenue Bonds, Series 2000.

"2004A Bonds" means the $53,915,000 State of Florida, Florida Education System, Florida International University Housing Facility Revenue Bonds, Series 2004A.

"2011A Bonds" means the $22,210,000 State of Florida, Board of Governors, Florida International University Dormitory Revenue Bonds, Series 2011A.

"Assistant Secretary" means an Assistant Secretary of the Division.

"**Board of Governors" or "Board"** means the Board of Governors created by Article IX, Section 7 of the Florida Constitution, and includes any other entity succeeding to the powers thereof.

"Bond Registrar/Paying Agent" means U.S. Bank Trust National Association, New York, New York, or its successor.

"Bond Year" means, with respect to a particular Series of Bonds issued hereunder, the annual period relevant to the application of Section 148(f) of the Code to the Series of Bonds, except that the first and last Bond Years may be less than 12 months long. The last day of a Bond Year shall be the close of business on the day preceding the anniversary of the date of issuance of the Series unless the Division selects another date on which to end a Bond Year in the manner permitted by the Code.

"Code" means the Internal Revenue Code of 1986, as amended, and temporary, proposed or permanent implementing regulations promulgated thereunder.

"Director" means the Director of the Division or any Assistant Secretary delegated authority by the Director.

"Division" means the Division of Bond Finance of the State Board of Administration of Florida.

"Housing System" means the facilities enumerated in the Original Resolution, as amended and supplemented.

"Original Resolution" means the resolution adopted on June 9, 1998 by the Governing Board, authorizing the issuance of the 1998 Bonds, as amended by the Sale Resolution for the 1998 Bonds adopted on September 23, 1998, and as further amended by the Second Supplemental Resolution and the Fourth Supplemental Resolution.

“Outstanding Bonds” means the Outstanding 1998 Bonds, the Outstanding 2000 Bonds, the Outstanding 2004A Bonds, and the Outstanding 2011A Bonds.

“Rebate Amount” means the excess of the amount earned on all nonpurpose investments (as defined in Section 148(f)(6) of the Code) over the amount which would have been earned if such nonpurpose investments were invested at a rate equal to the yield on the Bonds, plus any income attributable to such excess.

“Refunded Bonds” means all or a portion of the Outstanding State of Florida, Board of Regents, Florida International University Housing Facility Revenue Bonds, Series 1998.

“Refunding Bonds” means the State of Florida, Board of Governors, Florida International University Dormitory Revenue Refunding Bonds, Series (to be determined) authorized by this Sixth Supplemental Resolution.

“Resolution” means the Original Resolution, as supplemented and amended through the date of this resolution.

“Sixth Supplemental Resolution” means this resolution authorizing the issuance and competitive sale of the Refunding Bonds.

Where the context so requires, words importing singular number shall include the plural number in each case and vice versa, words importing persons shall include firms and corporations, and the masculine includes the feminine and vice versa.

SECTION 1.02. AUTHORITY FOR THIS RESOLUTION. This Sixth Supplemental Resolution is adopted pursuant to the provisions of Article VII, Section 11(d) of the Florida Constitution; Section 215.57-215.83 (the “State Bond Act”); Section 1010.62, Florida Statutes, and other applicable provisions of law; and Section 5.01 of the Original Resolution, and is supplemental to said Original Resolution.

SECTION 1.03. RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the acceptance of the Refunding Bonds by the Registered Owners, the Resolution shall be deemed to be and shall constitute a contract among the Division, the Board of Governors, the University and such Registered Owners. The covenants and agreements to be performed by the Board and the University shall be for the equal benefit, protection, and security of the Registered Owners of any and all of the Outstanding Bonds and the Refunding Bonds, all of which shall be of equal rank and without preference, priority, or distinction as to any of such Bonds over any other thereof, except as expressly provided in the Original Resolution, as amended and supplemented through the date of this Sixth Supplemental Resolution.

ARTICLE II
AUTHORIZATION, TERMS, EXECUTION, REGISTRATION, TRANSFER, ISSUANCE, FORM OF BONDS, AND AUTHORIZATION TO EXECUTE ESCROW DEPOSIT AGREEMENT

SECTION 2.01. AUTHORIZATION OF ISSUANCE AND SALE OF REFUNDING BONDS. (A) Subject and pursuant to the provisions of the Resolution, fully registered revenue bonds of the Board to be known as “State of Florida, Board of Governors, Florida International University Dormitory Revenue Refunding Bonds, Series 2012 (to be determined)” (or such other designation as may be determined by the Director), are hereby authorized to be issued and sold at competitive sale by the Division in an aggregate principal amount not exceeding $7,000,000 on a date and at the time to be set out or provided for in the Notice of Bond Sale to be published as provided in this Sixth Supplemental Resolution. The Refunding Bonds shall be sold to refund the Refunded Bonds. The Refunding Bonds may be combined with, designated the same as, and sold with any other series of Florida International University Dormitory Revenue Bonds. The maturities or portions of maturities to be refunded shall be as determined by the Director to be in the best financial interest of the State. The redemption of the Refunded Bonds on or after their first call date is hereby authorized.

(B) The Director is hereby authorized to determine the most advantageous date and time of sale and to publish the Notice of Bond Sale of the Refunding Bonds, or an abbreviated version thereof, in *The Bond Buyer*, New York, New York, or another financial journal, such publication to be not less than 10 days prior to the date of sale; provided, that if no bids are received at the time and place called for in the Notice of Bond Sale, or if all bids received are rejected, such

Refunding Bonds may again be offered for sale upon reasonable notice, the timing and manner of which shall be determined by the Director. Bids for the purchase of the Refunding Bonds will be received at the office of the Division or at another location designated in the Notice of Bond Sale, until the time and date of sale specified or provided for in the Notice of Bond Sale. Any prior publication of a Notice of Bond Sale, or abbreviated version thereof, is hereby ratified.

(C) The Director is hereby authorized to publish and distribute a Notice of Bond Sale and a proposal for the sale of the Refunding Bonds. The Notice of Bond Sale shall be in such form as shall be determined by the Director and shall contain such information as is consistent with the terms of the Resolution which the Director determines is in the best financial interest of the State. Any prior distribution of a Notice of Bond Sale and proposal for sale is hereby ratified.

(D) The Director is hereby authorized to prepare and distribute preliminary and final official statements in connection with the offering of the Refunding Bonds. The Director is further authorized and directed to amend, supplement or complete the information contained in the preliminary official statement, as may be needed, and to furnish such certification as to the completeness and finality of the preliminary official statement as is necessary to permit the successful bidder to fulfill its obligations under any applicable securities laws. The Chairman and Secretary of the Governing Board and the Director are hereby authorized to execute the final official statement in connection with the offering of the Refunding Bonds, and the execution thereof by any of the authorized individuals shall be conclusive evidence that the Governing Board has approved the form and content of the final official statement and that the final official statement is complete as of its date.

(E) The Director is hereby authorized to have up to 1,500 copies of the preliminary official statement and 3,500 copies (plus such additional copies as may be requested by the successful bidder at the expense of the successful bidder) of the final official statement relating to the offering of the Refunding Bonds printed and distributed; to contract with national rating services and providers of municipal bond insurance and Reserve Account Credit Facilities; to retain bond counsel; to make a determination that the preliminary official statement is “deemed final” for purposes of SEC Rule 15c2-12(b)(1); to conduct information meetings; and to take such other actions as may be deemed appropriate for the dissemination of information relating to the sale of the Refunding Bonds. Any prior printing and distribution of a preliminary official statement is hereby ratified.

(F) The Secretary or any Assistant Secretary of the Governing Board is hereby authorized and empowered to award said Refunding Bonds when offered, on his determination of the best proposal, as defined in the Notice of Bond Sale, submitted in accordance with the terms of the Notice of Bond Sale provided for herein, and such award shall be final. The Director or any Assistant Secretary of the Governing Board shall report such sale to the Governing Board after award of the Refunding Bonds. The Secretary or any Assistant Secretary of the Governing Board is authorized to deliver such Refunding Bonds to the purchasers thereof upon payment of the purchase price, together with any accrued interest to the date of delivery, and to distribute the proceeds of the Refunding Bonds as provided by this Sixth Supplemental Resolution and other proceedings authorizing the issuance of the Refunding Bonds.

(G) The Refunding Bonds shall be executed in the name of the Board of Governors by its Chair, or by such other authorized person. Any of the signatures required hereinabove may be a facsimile signature imprinted or reproduced on the Refunding Bonds. In case any one or more of the officers who shall have signed any of the Refunding Bonds shall cease to be such officer before the Refunding Bonds so signed and sealed shall have been actually sold and delivered, the Refunding Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Refunding Bonds had not ceased to hold office.

(H) A certificate as to the approval of the issuance of the Refunding Bonds, shall be executed by the facsimile signature of the Secretary of the Governing Board, an Assistant Secretary, or as otherwise provided by law.

(I) U.S. Bank Trust National Association, or its successor, is hereby designated as Bond Registrar/Paying Agent for the Refunding Bonds on the terms and conditions set forth in the Registrar, Paying Agent and Transfer Agreement by and between the Board of Administration and U.S. Bank Trust National Association or its successor.

(J) The Interest Payment Dates and the Principal Payment Dates for the Refunding Bonds shall be as set forth in the Notice of Bond Sale. Interest on the Refunding Bonds shall be paid by check or draft mailed on the Interest

Payment Date (or, in certain cases, may be paid by wire transfer at the election of a Registered Owner, other than a securities depository, in the manner and under the terms provided for in the State's agreement with the Bond Registrar/Paying Agent, provided that such Registered Owner advances to the Bond Registrar/Paying Agent the amount, if any, necessary to pay the wire charges or authorizes the paying agent to deduct the amount of such payment) to the Registered Owner thereof as of 5:00 p.m. New York time on the Record Date shown on the registration books maintained by the Bond Registrar/Paying Agent for the Refunding Bonds.

(K) The Refunding Bonds shall be dated, shall mature in such years and amounts and shall bear interest commencing on such date as set forth or provided for in the Notice of Bond Sale, a copy of which, as published, shall be retained in the files of the Division with this Sixth Supplemental Resolution. The Refunding Bonds shall be issued in denominations of $1,000 or any integral multiple thereof unless otherwise provided in the Notice of Bond Sale. The Refunding Bonds shall be payable at the corporate trust office of U.S. Bank Trust National Association, New York, New York, or its successor.

(L) The Refunding Bonds shall be subject to redemption as provided in the Notice of Bond Sale. The Notice of Bond Sale shall contain such redemption provisions as shall be determined by the Director to be in the best financial interest of the State. Upon election by the successful bidder as provided in the Notice of Bond Sale, a portion of the Refunding Bonds identified in such election may be designated as Term Bonds. Additionally, in lieu of mailing the notice of redemption, the Bond Registrar/Paying Agent may elect to provide such notice by electronic means to any Registered Owner who has consented to such method of receiving notices.

(M) The incremental increase in the Reserve Requirement, if any, attributable to the Refunding Bonds shall be funded with proceeds of the Refunding Bonds, amounts previously on deposit in a reserve account on behalf of the Refunded Bonds, a Reserve Account Credit Facility, or some combination thereof, as determined by the Director. The incremental increase, if any, in the Reserve Requirement attributable to the Refunding Bonds shall be deposited in the Reserve Account which was created pursuant to Section 4.02(A) of the Original Resolution. Amounts on deposit in the Reserve Account may be commingled with the amounts deposited for Bonds of additional Series which are secured thereby, shall be held for the benefit of the Registered Owners of only such Bonds as may be specifically secured by the Reserve Account, and shall be applied in the manner provided in the Original Resolution.

Notwithstanding the provisions of the Original Resolution, the Reserve Account for the Refunding Bonds authorized by this Sixth Supplemental Resolution shall be funded in an amount determined by the Director, which shall not exceed the Reserve Requirement for the Refunding Bonds. Such amount may be zero. The amount of the Reserve Requirement funded from the proceeds of the Refunding Bonds shall not exceed the amount permitted under the Code.

The Reserve Requirement for the Refunding Bonds, if any, shall be deposited, as determined by the Director, in either a subaccount in the Reserve Account established for any of the Outstanding Bonds or in a subaccount in such Reserve Account which is hereby established for the Refunding Bonds. Amounts on deposit in any subaccount in the Reserve Account may be commingled with the amounts deposited for Bonds of additional Series which are secured thereby, shall be held for the benefit of the Registered Owners of only such Bonds as may be specifically secured by the respective subaccount, and shall be applied in the manner provided in the Resolution.

(N) Any portion of the Refunding Bonds may be issued as a separate series, provided that the Refunding Bonds of each series shall be numbered consecutively from one upward. The Refunding Bonds referred to herein may be sold separately or combined with any other Bonds authorized by the Division to be sold.

(O) The Director is hereby authorized to offer for sale a lesser principal amount of Refunding Bonds than that set forth in this Sixth Supplemental Resolution and to adjust the maturity schedule and redemption provisions for the Refunding Bonds, if necessary, to reflect the issuance of such lesser amount, and to modify the Notice of Bond Sale as may be required. Any portion of the Refunding Bonds not offered shall remain authorized to be offered at a later date.

(P) The Director is authorized to provide in the Notice of Bond Sale of the Refunding Bonds that the purchase price for the Refunding Bonds may include a discount of not to exceed 3%, excluding original issue discount, if any, of the aggregate principal amount of such Refunding Bonds offered for sale.

(Q) The Chairman, Secretary and any Assistant Secretary of the Governing Board, the Director, and such other officers and employees of the Division as may be designated by the Governing Board as agents of the Division in connection with the issuance and delivery of the Refunding Bonds, are authorized and empowered, collectively or individually, to take all actions and steps, to execute all instruments, documents, and contracts, and to take all other action on behalf of the Division, in each case as they may deem necessary or desirable, in connection with the execution and delivery of the Refunding Bonds, including but not limited to, contracting with a consultant to verify escrow calculations of the Refunding Bonds, retaining bond counsel to render a special tax opinion relating to the use of the proceeds from the sale of the Refunding Bonds, and providing for redemption of the Refunded Bonds. Notwithstanding anything contained in the Resolution to the contrary, it is the intent of the Division that interest on the Refunding Bonds, if issued as tax-exempt Refunding Bonds, be and remain excluded from gross income for federal income tax purposes and therefore to comply with all requirements of federal tax law applicable to such tax-exempt Refunding Bonds, whether such requirements are now in effect, pending or subsequently enacted. The Division is hereby authorized and directed to take all actions necessary with respect to the Refunding Bonds to comply with such requirements of federal tax law.

SECTION 2.02. AUTHORIZATION TO EXECUTE AND DELIVER AN ESCROW DEPOSIT AGREEMENT; DESIGNATION OF ESCROW AGENTS. The Chairman and Secretary or an Assistant Secretary of the Governing Board and such other officers and employees of the Division as may be designated by the Governing Board as agents of the Division are hereby each authorized to execute and deliver an Escrow Deposit Agreement on behalf of the Division in such form as may be determined by the Director for the purpose of providing for the deposit of a portion of the proceeds of the Refunding Bonds and such other funds as determined to be necessary into an escrow deposit trust fund for the refunding of the Refunded Bonds. The escrow deposit trust fund shall be held and administered by an escrow agent acceptable to the Director as evidenced by the Director's execution of the Escrow Deposit Agreement.

SECTION 2.03. APPLICABILITY OF ARTICLE II OF THE ORIGINAL RESOLUTION. Except as otherwise provided in this Sixth Supplemental Resolution, the terms, description, execution, negotiability, redemption, authentication, disposition, replacement, registration, transfer, issuance and form of the Refunding Bonds shall be governed by the provisions of Article II of the Original Resolution, adjusted to the extent necessary to apply to the Refunding Bonds.

SECTION 2.04.FORM OF REFUNDING BONDS. (A) Notwithstanding anything to the contrary in the Resolution, or any other resolution related to the Refunding Bonds, the Refunding Bonds may be issued in book-entry only form utilizing the services of a Securities Depository (as used herein, "Securities Depository" means The Depository Trust Company, New York, New York, or its nominees, successors and assigns).

So long as a book-entry only system of evidence of transfer of ownership of all the Refunding Bonds is maintained in accordance herewith, any provision of the Resolution relating to the delivery of physical bond certificates shall be inapplicable, and the Resolution shall be deemed to give full effect to such book-entry system.
If the Refunding Bonds are issued in book-entry only form:

(1) The Refunding Bonds shall be issued in the name of the Securities Depository as Registered Owner of the Refunding Bonds, and held in the custody of the Securities Depository or its designee.

(2) Transfers of beneficial ownership of the Refunding Bonds will be effected on the records of the Securities Depository and its Participants pursuant to rules and procedures established by the Securities Depository ("Participants" include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations, as well other organizations that clear through or maintain a custodial relationship with such organizations, either directly or indirectly).

(3) Each Participant shall be credited in the records of the Securities Depository with the amount of such Participant's interest in the Refunding Bonds. Beneficial ownership interests in the Refunding Bonds may be purchased by or through Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "Beneficial Owners." The Beneficial Owners shall not receive Refunding Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded

through the records of the Participant from which such Beneficial Owner purchased its Refunding Bonds. Transfers of ownership interests in the Refunding Bonds shall be accomplished by book entries made by the Securities Depository and, in turn, by Participants acting on behalf of Beneficial Owners.

(4) Unless otherwise provided herein, the Division of Bond Finance, the Board of Governors, the Board of Administration, and the Bond Registrar/Paying Agent (as used in this section, the "State and its agents") shall treat the Securities Depository as the sole and exclusive owner of the Refunding Bonds registered in its name for the purposes of

(a) payment of the principal of, premium, if any, and interest on the Refunding Bonds or portion thereof to be redeemed or purchased. Payments made to the Securities Depository of principal, premium, and interest shall be valid and effective to fully satisfy and discharge the Board of Governors' obligations to the extent of the sums so paid;

(b) giving any notice permitted or required to be given to Registered Owners under the Resolution; and

(c) the giving of any direction or consent or the making of any request by the Registered Owners hereunder. The State and its agents may rely conclusively upon

(i) a certificate of the Securities Depository as to the identity of the Participants with respect to the Refunding Bonds; and

(ii) a certificate of any such Participant as to the identity of, and the respective principal amount of Refunding Bonds beneficially owned by, the Beneficial Owners.

(5) The State and its agents shall have no responsibility or obligations to the Securities Depository, any Participant, any Beneficial Owner or any other person which is not shown on the Refunding Bond Register, with respect to

(a) the accuracy of any records maintained by the Securities Depository or any Participant;

(b) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption or purchase price of, or interest on, any Refunding Bond;

(c) the delivery of any notice by the Securities Depository or any Participant;

(d) the selection of the Participants or the Beneficial Owners to receive payment in the event of any partial redemption of the Refunding Bonds; or

(e) any consent given or any other action taken by the Securities Depository or any Participant.

(6) The requirements in the Resolution of holding, delivering or transferring Refunding Bonds shall be deemed modified to require the appropriate person to meet the requirements of the Securities Depository as to registering or transferring the book-entry Refunding Bonds to produce the same effect. Any provision hereof permitting or requiring delivery of the Refunding Bonds shall, while the Refunding Bonds are in book-entry only form, be satisfied by the notation thereof on the books of the Securities Depository in accordance with applicable state law.

(B) The Division of Bond Finance may discontinue the book-entry system with the then-current securities depository, subject to the terms of its agreement with such securities depository. In this event, the Division of Bond Finance shall either

(1) identify another qualified securities depository or

(2) prepare and deliver replacement Refunding Bonds in the form of fully registered bonds to each Beneficial Owner.

ARTICLE III
APPLICATION OF PROCEEDS

SECTION 3.01. APPLICATION OF REFUNDING BOND PROCEEDS. Upon receipt of the proceeds of the sale of the Refunding Bonds the Division shall transfer and apply such proceeds as follows:

(A) The amount necessary to pay all costs and expenses of the Division in connection with the preparation, issuance, and sale of the Refunding Bonds, including a reasonable charge for the services of the Division for its fiscal services and for arbitrage rebate compliance program set-up, shall be transferred to the Division and deposited in the Bond Fee Trust Fund

.

(B) Any accrued interest on the Refunding Bonds shall be transferred to the Board of Administration and deposited in the Sinking Fund, and used for the payment of interest on the Refunding Bonds.

(C) An amount necessary to fund the incremental increase in the Reserve Requirement, if any, attributable to the Refunding Bonds, to be held in reserve, shall be transferred to the Board of Administration and deposited in the Reserve Account within the Sinking Fund. Alternatively, the Division, as provided in Section 4.02 of the Original Resolution, may elect at any time to provide in lieu of all or a portion of such funds a Reserve Account Credit Facility in an amount equal to the difference between the Reserve Requirement and the sums then on deposit in the Reserve Account.

(D) An amount together with the interest earnings thereon, and other amounts deposited therein which is anticipated to be sufficient to pay when due (1) the principal amount of the Refunded Bonds, (2) the amount of interest and redemption premium payable on the Refunded Bonds, and (3) the amount of fees and expenses estimated to be incurred in connection with the payment and retirement of the Refunded Bonds, shall be either transferred and deposited in escrow pursuant to the terms of the Escrow Deposit Agreement or, at the discretion of the Director, deposited with the Bond Registrar/Paying Agent.

(E) Any balance of the proceeds of the Refunding Bonds after providing for the requirements of subsections (A) through (D) above shall be transferred to the Sinking Fund and used for the purposes set forth therein.

ARTICLE IV
SECURITY FOR THE BONDS

SECTION 4.01. REFUNDING BONDS ON A PARITY WITH THE OUTSTANDING BONDS. The Refunding Bonds shall be payable on a parity, and rank equally as to lien on and source and security for payments from the Pledged Revenues and in all other respects, with the other Outstanding Bonds.

SECTION 4.02. REFUNDING BONDS SECURED BY ORIGINAL RESOLUTION. The Refunding Bonds shall be deemed to have been issued pursuant to the Original Resolution, as supplemented by this Sixth Supplemental Resolution, as fully and to the same extent as the Outstanding Bonds, and all of the covenants and agreements contained in the Original Resolution, as amended and supplemented, shall be deemed to have been made for the benefit of the Registered Owners of the Refunding Bonds as fully and to the same extent as the Registered Owners of the Outstanding Bonds.

All of the covenants, agreements, and provisions of the Original Resolution, as amended and supplemented, except to the extent inconsistent herewith, shall be deemed to be part of this Sixth Supplemental Resolution to the same extent as if incorporated verbatim in this Sixth Supplemental Resolution, and shall be fully enforceable in the manner provided in the Original Resolution, as amended and supplemented, by any of the Registered Owners of the Refunding Bonds.

ARTICLE V
MISCELLANEOUS

SECTION 5.01. RESOLUTION NOT ASSIGNABLE. This Sixth Supplemental Resolution shall not be assignable by the Division or the Board of Administration, except for the benefit of the Registered Owners; provided, however, the Board may lease, from time to time, to other tenants such portion or portions of the Housing System as are not needed by the Board, to the extent that any such lease would not adversely affect the Pledged Revenues or the exclusion of interest on any tax-exempt Bonds from gross income for federal income tax purposes.

SECTION 5.02. MODIFICATION OR AMENDMENT. Modification or amendment hereof shall be governed by Section 8.02 of the Original Resolution.

SECTION 5.03. CONTINUING DISCLOSURE. (A) In order to comply with Rule15c2-12 of the Securities and Exchange Commission, the Board agrees to provide or cause to be provided such information as may be required, from time to time, under such rule or any successor rule applicable to the Board of Governors.

(B) The Director, in conjunction with the appropriate officer of the Board, is authorized and directed to execute and deliver any documents or agreement which are necessary to comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission or any successor rule applicable to the Board of Governors.

SECTION 5.04. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants or provisions of this Sixth Supplemental Resolution shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants or provisions shall be null and void and shall be deemed separable from the remaining covenants or provisions of this Sixth Supplemental Resolution or of the Refunding Bonds and shall in no way affect the validity or enforceability of any other covenants, agreements or provisions of this Sixth Supplemental Resolution or of the Refunding Bonds issued hereunder.

SECTION 5.05. FISCAL AGENT. Upon the sale and delivery of the Refunding Bonds by the Division on behalf of the Board, the Board of Administration shall act as the fiscal agent for the Board with respect to the Refunding Bonds.

SECTION 5.06. REPEAL OF INCONSISTENT RESOLUTIONS. All prior or concurrent resolutions or parts of resolutions inconsistent with this Sixth Supplemental Resolution are hereby amended by this Sixth Supplemental Resolution, but only to the extent of any such inconsistency.

SECTION 5.07. SUCCESSOR AGENCIES AND OFFICIALS. Any references in the Resolution to offices, bodies, or agencies which have been or are superceded, replaced or abolished by law shall be deemed to refer to the successors of such offices, bodies, and agencies. Any action required or authorized to be taken by an official whose office, body, or agency has been or is so superceded, replaced, or abolished shall be taken by the successor to such official.

SECTION 5.08. CONFIRMATION OF ORIGINAL RESOLUTION. As supplemented by this Sixth Supplemental Resolution, the Original Resolution is in all respects ratified and confirmed, and this Sixth Supplemental Resolution shall be read, taken, and construed as a part of the Original Resolution.

SECTION 5.09. AMENDMENT OF ORIGINAL RESOLUTION. The Original Resolution is amended as follows. Language to be added to the Original Resolution is indicated by underlining, and language to be deleted from the Original Resolution is indicated by ~~strike-throughs~~.

(A) Section 4.02 of the Original Resolution is hereby amended to reflect the change in accounting system necessitated by the devolution of the State University System, as follows:

4.02. APPLICATION OF HOUSING SYSTEM REVENUES. (A) Upon collection, the Pledged Revenues shall be deposited daily by the University into a separate fund, in a bank approved by the Board of Trustees, known as the Florida International University Housing System Revenues Fund (the "Revenue Fund"), ~~the "Florida Board of~~

~~Regents Florida International University Clearing Account", in a bank approved by the Board of Regents and the State Treasurer and from there shall be transferred on a daily basis to a separate fund held by the State Treasurer. This separate fund shall be known as the "Florida International University Housing System Revenue Fund"~~ which is hereby created. Said fund constitutes a trust fund for the purposes provided in this Resolution, and shall be kept separate and distinct from all other funds of the University ~~and the Board of Regents~~ and used only for the purposes and in the manner provided in this Resolution. All revenues on deposit at any time in the Revenue Fund shall be applied only in the following manner and order of priority: . . .

SECTION 5.10. EFFECTIVE DATE. This Sixth Supplemental Resolution shall take effect immediately upon its adoption.

ADOPTED on March 20, 2012.

A RESOLUTION (THE SEVENTH SUPPLEMENTAL RESOLUTION) AUTHORIZING THE ISSUANCE AND SALE OF STATE OF FLORIDA, BOARD OF GOVERNORS, FLORIDA INTERNATIONAL UNIVERSITY DORMITORY REVENUE REFUNDING BONDS, SERIES (TO BE DETERMINED); REFUNDING ALL OR A PORTION OF CERTAIN OUTSTANDING BONDS OF THE UNIVERSITY; AND PROVIDING FOR AN EFFECTIVE DATE.

BE IT RESOLVED BY THE GOVERNOR AND CABINET OF THE STATE OF FLORIDA, AS THE GOVERNING BOARD OF THE DIVISION OF BOND FINANCE OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA:

ARTICLE I
DEFINITIONS; AUTHORITY; RESOLUTION TO CONSTITUTE CONTRACT

SECTION 1.01. DEFINITIONS. All of the definitions contained in Article I of the Original Resolution (as defined herein), in addition to the definitions contained herein and except to the extent inconsistent with or amended by definitions contained herein, shall apply fully to the Outstanding Bonds and the Refunding Bonds (as defined herein).

"2004A Bonds" means the $53,915,000 State of Florida, Florida Education System, Florida International University Housing Facility Revenue Bonds, Series 2004A.

"2011A Bonds" means the $22,210,000 State of Florida, Board of Governors, Florida International University Dormitory Revenue Bonds, Series 2011A.

"2012A Bonds" means the $53,655,000 State of Florida, Board of Governors, Florida International University Dormitory Revenue Bonds, Series 2012A.

"Assistant Secretary" means an Assistant Secretary of the Division.

"Board of Governors" or "Board" means the Board of Governors created by Article IX, Section 7 of the Florida Constitution, and includes any other entity succeeding to the powers thereof.

"Bond Registrar/Paying Agent" means U.S. Bank Trust National Association, New York, New York, or its successor.

"Bond Year" means, with respect to a particular Series of Bonds issued hereunder, the annual period relevant to the application of Section 148(f) of the Code to the Series of Bonds, except that the first and last Bond Years may be less than 12 months long. The last day of a Bond Year shall be the close of business on the day preceding the anniversary of the date of issuance of the Series unless the Division selects another date on which to end a Bond Year in the manner permitted by the Code.

"Code" means the Internal Revenue Code of 1986, as amended, and temporary, proposed or permanent implementing regulations promulgated thereunder.

"Director" means the Director of the Division or any Assistant Secretary delegated authority by the Director.

"Division" means the Division of Bond Finance of the State Board of Administration of Florida.

"Housing System" means the facilities enumerated in the Original Resolution, as amended and supplemented.

"Original Resolution" means the resolution adopted on June 9, 1998 by the Governing Board, authorizing the issuance of the 1998 Bonds, as amended by the Sale Resolution for the 1998 Bonds adopted on September 23, 1998, and as further amended by the Second Supplemental Resolution, the Fourth Supplemental Resolution, and the Sixth Supplemental Resolution.

"Outstanding Bonds" means the Outstanding 2004A Bonds, the Outstanding 2011A Bonds, and the Outstanding 2012A Bonds.

"Rebate Amount" means the excess of the amount earned on all nonpurpose investments (as defined in Section 148(f)(6) of the Code) over the amount which would have been earned if such nonpurpose investments were invested at a rate equal to the yield on the Bonds, plus any income attributable to such excess.

"Refunded Bonds" means all or a portion of the Outstanding State of Florida, Florida Education System, Florida International University Housing Facility Revenue Bonds, Series 2004A.

"Refunding Bonds" means the State of Florida, Board of Governors, Florida International University Dormitory Revenue Refunding Bonds, Series (to be determined) authorized by this Seventh Supplemental Resolution.

"Resolution" means the Original Resolution, as supplemented and amended through the date of this resolution.

"Seventh Supplemental Resolution" means this resolution authorizing the issuance and competitive sale of the Refunding Bonds.

Where the context so requires, words importing singular number shall include the plural number in each case and vice versa, words importing persons shall include firms and corporations, and the masculine includes the feminine and vice versa.

SECTION 1.02. AUTHORITY FOR THIS RESOLUTION. This Seventh Supplemental Resolution is adopted pursuant to the provisions of Article VII, Section 11(d) of the Florida Constitution; Section 215.57-215.83 (the "State Bond Act"); Section 1010.62, Florida Statutes, and other applicable provisions of law; and Section 5.01 of the Original Resolution, and is supplemental to said Original Resolution.

SECTION 1.03. RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the acceptance of the Refunding Bonds by the Registered Owners, the Resolution shall be deemed to be and shall constitute a contract among the Division, the Board of Governors, the University and such Registered Owners. The covenants and agreements to be performed by the Board and the University shall be for the equal benefit, protection, and security of the Registered Owners of any and all of the Outstanding Bonds and the Refunding Bonds, all of which shall be of equal rank and without preference, priority, or distinction as to any of such Bonds over any other thereof, except as expressly provided in the Original Resolution, as amended and supplemented through the date of this Seventh Supplemental Resolution.

ARTICLE II
AUTHORIZATION, TERMS, EXECUTION, REGISTRATION, TRANSFER, ISSUANCE, FORM OF BONDS, AND AUTHORIZATION TO EXECUTE ESCROW DEPOSIT AGREEMENT

SECTION 2.01. AUTHORIZATION OF ISSUANCE AND SALE OF REFUNDING BONDS. (A) Subject and pursuant to the provisions of the Resolution, fully registered revenue bonds of the Board to be known as "State of Florida, Board of Governors, Florida International University Dormitory Revenue Refunding Bonds, Series (to be determined)" (or such other designation as may be determined by the Director), are hereby authorized to be issued and sold at competitive sale by the Division in an aggregate principal amount not exceeding $32,000,000 on a date and at the time to be determined by the Director. The Refunding Bonds shall be sold to refund the Refunded Bonds. The Refunding Bonds may be combined with, designated the same as, and sold with any other series of Florida International University Dormitory Revenue Bonds. The maturities or portions of maturities to be refunded shall be as determined by the Director to be in the best financial interest of the State. The redemption of the Refunded Bonds on or after their first call date is hereby authorized.

(B) The Director is hereby authorized to determine the most advantageous date and time of sale and to provide notice pursuant to applicable law of such sale, at a time and in such manner as determined by the Director to be appropriate to provide adequate notice to potential bidders; provided, that if no bids are received, or if all bids received are rejected, such Refunding Bonds may again be offered for sale upon reasonable notice, the timing and manner of which shall be determined by the Director. Bids for the purchase of the Refunding Bonds will be received at the office of the Division or at another location designated in the Notice of Bond Sale, until the time and date of sale determined by the Director.

(C) The Director is hereby authorized to publish and distribute a Notice of Bond Sale and a proposal for the sale of the Refunding Bonds. The Notice of Bond Sale shall be in such form as shall be determined by the Director and shall contain such information as is consistent with the terms of the Resolution which the Director determines is in the best financial interest of the State. Any prior publication or distribution of a Notice of Bond Sale and proposal for sale is hereby ratified.

(D) The Director is hereby authorized to prepare and distribute preliminary and final official statements in connection with the public offering of the Refunding Bonds. The Director is further authorized and directed to amend, supplement or complete the information contained in the preliminary official statement, as may be needed, and to furnish such certification as to the completeness and finality of the preliminary official statement as is necessary to permit the successful bidder to fulfill its obligations under any applicable securities laws. The Chairman and Secretary of the Governing Board and the Director are hereby authorized to execute the final official statement in connection with the public offering of the Refunding Bonds, and the execution thereof by any of the authorized individuals shall be conclusive evidence that the Governing Board has approved the form and content of the final official statement and that the final official statement is complete as of its date.

(E) The Director is hereby authorized to have up to 1,500 copies of the preliminary official statement and 3,500 copies (plus such additional copies as may be requested by the successful bidder at the expense of the successful bidder) of the final official statement relating to the public offering of the Refunding Bonds printed and distributed; to contract with national rating services and providers of municipal bond insurance and Reserve Account Credit Facilities; to retain bond counsel; to make a determination that the preliminary official statement is "deemed final" for purposes of SEC Rule 15c2-12(b)(1); to conduct information meetings; and to take such other actions as may be deemed appropriate for the dissemination of information relating to the sale of the Refunding Bonds. Any prior printing and distribution of a preliminary official statement is hereby ratified.

(F) The Secretary or any Assistant Secretary of the Governing Board is hereby authorized and empowered to award said Refunding Bonds when offered, on his determination of the best proposal, as defined in the Notice of Bond Sale, submitted in accordance with the terms of the Notice of Bond Sale provided for herein, and such award shall be final. The Director or any Assistant Secretary of the Governing Board shall report such sale to the Governing Board after award of the Refunding Bonds. The Secretary or any Assistant Secretary of the Governing Board is authorized to deliver such Refunding Bonds to the purchasers thereof upon payment of the purchase price, together with any accrued interest to the date of delivery, and to distribute the proceeds of the Refunding Bonds as provided by this Seventh Supplemental Resolution and other proceedings authorizing the issuance of the Refunding Bonds.

(G) The Refunding Bonds shall be executed in the name of the Board of Governors by its Chair, or by such other authorized person. Any of the signatures required hereinabove may be a facsimile signature imprinted or reproduced on the Refunding Bonds. In case any one or more of the officers who shall have signed any of the Refunding Bonds shall cease to be such officer before the Refunding Bonds so signed and sealed shall have been actually sold and delivered, the Refunding Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Refunding Bonds had not ceased to hold office.

(H) A certificate as to the approval of the issuance of the Refunding Bonds, shall be executed by the facsimile signature of the Secretary of the Governing Board, an Assistant Secretary, or as otherwise provided by law.

(I) U.S. Bank Trust National Association, or its successor, is hereby designated as Bond Registrar/Paying Agent for the Refunding Bonds on the terms and conditions set forth in the Registrar, Paying Agent and Transfer Agreement by and between the Board of Administration and U.S. Bank Trust National Association or its successor.

(J) The Interest Payment Dates and the Principal Payment Dates for the Refunding Bonds shall be as set forth in the Notice of Bond Sale. Interest on the Refunding Bonds shall be paid by check or draft mailed on the Interest Payment Date (or, in certain cases, may be paid by wire transfer at the election of a Registered Owner, other than a securities depository, in the manner and under the terms provided for in the State's agreement with the Bond Registrar/Paying Agent, provided that such Registered Owner advances to the Bond Registrar/Paying Agent the amount, if any, necessary to pay the wire charges or authorizes the paying agent to deduct the amount of such payment) to the

Registered Owner thereof as of 5:00 p.m. New York time on the Record Date shown on the registration books maintained by the Bond Registrar/Paying Agent for the Refunding Bonds.

(K) The Refunding Bonds shall be dated, shall mature in such years and amounts and shall bear interest commencing on such date as set forth or provided for in the Notice of Bond Sale, a copy of which, as published, shall be retained in the files of the Division with this Seventh Supplemental Resolution. The Refunding Bonds shall be issued in denominations of $1,000 or any integral multiple thereof unless otherwise provided in the Notice of Bond Sale. The Refunding Bonds shall be payable at the corporate trust office of U.S. Bank Trust National Association, New York, New York, or its successor.

(L) The Refunding Bonds shall be subject to redemption as provided in the Notice of Bond Sale. The Notice of Bond Sale shall contain such redemption provisions as shall be determined by the Director to be in the best financial interest of the State. Upon election by the successful bidder as provided in the Notice of Bond Sale, a portion of the Refunding Bonds identified in such election may be designated as Term Bonds. Additionally, in lieu of mailing the notice of redemption, the Bond Registrar/Paying Agent may elect to provide such notice by electronic means to any Registered Owner who has consented to such method of receiving notices.

(M) The incremental increase in the Reserve Requirement, if any, attributable to the Refunding Bonds shall be funded with proceeds of the Refunding Bonds, amounts previously on deposit in a reserve account on behalf of the Refunded Bonds, a Reserve Account Credit Facility, or some combination thereof, as determined by the Director. The incremental increase, if any, in the Reserve Requirement attributable to the Refunding Bonds shall be deposited in the Reserve Account which was created pursuant to Section 4.02(A) of the Original Resolution. Amounts on deposit in the Reserve Account may be commingled with the amounts deposited for Bonds of additional Series which are secured thereby, shall be held for the benefit of the Registered Owners of only such Bonds as may be specifically secured by the Reserve Account, and shall be applied in the manner provided in the Original Resolution.

Notwithstanding the provisions of the Original Resolution, the Reserve Account for the Refunding Bonds authorized by this Seventh Supplemental Resolution shall be funded in an amount determined by the Director, which shall not exceed the Reserve Requirement for the Refunding Bonds. Such amount may be zero. The amount of the Reserve Requirement funded from the proceeds of the Refunding Bonds shall not exceed the amount permitted under the Code.

The Reserve Requirement for the Refunding Bonds, if any, shall be deposited, as determined by the Director, in either a subaccount in the Reserve Account established for any of the Outstanding Bonds or in a subaccount in such Reserve Account which is hereby established for the Refunding Bonds. Amounts on deposit in any subaccount in the Reserve Account may be commingled with the amounts deposited for Bonds of additional Series which are secured thereby, shall be held for the benefit of the Registered Owners of only such Bonds as may be specifically secured by the respective subaccount, and shall be applied in the manner provided in the Resolution.

(N) Any portion of the Refunding Bonds may be issued as a separate series, provided that the Refunding Bonds of each series shall be numbered consecutively from one upward. The Refunding Bonds referred to herein may be sold separately or combined with any other Bonds authorized by the Division to be sold.

(O) The Director is hereby authorized to offer for sale a lesser principal amount of Refunding Bonds than that set forth in this Seventh Supplemental Resolution and to adjust the maturity schedule and redemption provisions for the Refunding Bonds, if necessary, to reflect the issuance of such lesser amount, and to modify the Notice of Bond Sale as may be required. Any portion of the Refunding Bonds not offered shall remain authorized to be offered at a later date.

(P) The Director is authorized to provide in the Notice of Bond Sale of the Refunding Bonds that the purchase price for the Refunding Bonds may include a discount of not to exceed 3%, excluding original issue discount, if any, of the aggregate principal amount of such Refunding Bonds offered for sale.

(Q) The Chairman, Secretary and any Assistant Secretary of the Governing Board, the Director, and such other officers and employees of the Division as may be designated by the Governing Board as agents of the Division in connection with the issuance and delivery of the Refunding Bonds, are authorized and empowered, collectively or individually, to take all actions and steps, to execute all instruments, documents, and contracts, and to take all other action on behalf of the Division, in each case as they may deem necessary or desirable, in connection with the execution and delivery of the Refunding Bonds, including but not limited to, contracting with a consultant to verify escrow calculations of the Refunding Bonds, retaining bond counsel to render a special tax opinion relating to the use of the proceeds from the sale of the Refunding Bonds, and providing for redemption of the Refunded Bonds. Notwithstanding anything contained in the Resolution to the contrary, it is the intent of the Division that interest on the Refunding Bonds, if issued as tax-exempt Refunding Bonds, be and remain excluded from gross income for federal income tax purposes and therefore to comply with all requirements of federal tax law applicable to such tax-exempt Refunding Bonds, whether such requirements are now in effect, pending or subsequently enacted. The Division is hereby authorized and directed to take all actions necessary with respect to the Refunding Bonds to comply with such requirements of federal tax law.

SECTION 2.02. AUTHORIZATION TO EXECUTE AND DELIVER AN ESCROW DEPOSIT AGREEMENT; DESIGNATION OF ESCROW AGENTS. The Chairman and Secretary or an Assistant Secretary of the Governing Board and such other officers and employees of the Division as may be designated by the Governing Board as agents of the Division are hereby each authorized to execute and deliver an Escrow Deposit Agreement on behalf of the Division in such form as may be determined by the Director for the purpose of providing for the deposit of a portion of the proceeds of the Refunding Bonds and such other funds as determined to be necessary into an escrow deposit trust fund for the refunding of the Refunded Bonds. The escrow deposit trust fund shall be held and administered by an escrow agent acceptable to the Director as evidenced by the Director's execution of the Escrow Deposit Agreement.

SECTION 2.03. APPLICABILITY OF ARTICLE II OF THE ORIGINAL RESOLUTION. Except as otherwise provided in this Seventh Supplemental Resolution, the terms, description, execution, negotiability, redemption, authentication, disposition, replacement, registration, transfer, issuance and form of the Refunding Bonds shall be governed by the provisions of Article II of the Original Resolution, adjusted to the extent necessary to apply to the Refunding Bonds.

SECTION 2.04. FORM OF REFUNDING BONDS. (A) Notwithstanding anything to the contrary in the Resolution, or any other resolution related to the Refunding Bonds, the Refunding Bonds may be issued in book-entry only form utilizing the services of a Securities Depository (as used herein, "Securities Depository" means The Depository Trust Company, New York, New York, or its nominees, successors and assigns).

So long as a book-entry only system of evidence of transfer of ownership of all the Refunding Bonds is maintained in accordance herewith, any provision of the Resolution relating to the delivery of physical bond certificates shall be inapplicable, and the Resolution shall be deemed to give full effect to such book-entry system.
If the Refunding Bonds are issued in book-entry only form:

(1) The Refunding Bonds shall be issued in the name of the Securities Depository as Registered Owner of the Refunding Bonds, and held in the custody of the Securities Depository or its designee.

(2) Transfers of beneficial ownership of the Refunding Bonds will be effected on the records of the Securities Depository and its Participants pursuant to rules and procedures established by the Securities Depository ("Participants" include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations, as well other organizations that clear through or maintain a custodial relationship with such organizations, either directly or indirectly).

(3) Each Participant shall be credited in the records of the Securities Depository with the amount of such Participant's interest in the Refunding Bonds. Beneficial ownership interests in the Refunding Bonds may be purchased by or through Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "Beneficial Owners." The Beneficial Owners shall not receive Refunding Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the Participant from which such Beneficial Owner purchased its Refunding Bonds. Transfers of ownership interests in the Refunding Bonds shall be accomplished by book entries made by the Securities Depository and, in turn, by Participants acting on behalf of Beneficial Owners.

(4) Unless otherwise provided herein, the Division of Bond Finance, the Board of Governors, the Board of Administration, and the Bond Registrar/Paying Agent (as used in this section, the "State and its agents") shall treat the Securities Depository as the sole and exclusive owner of the Refunding Bonds registered in its name for the purposes of

(a) payment of the principal of, premium, if any, and interest on the Refunding Bonds or portion thereof to be redeemed or purchased. Payments made to the Securities Depository of principal, premium, and interest shall be valid and effective to fully satisfy and discharge the Board of Governors' obligations to the extent of the sums so paid;

(b) giving any notice permitted or required to be given to Registered Owners under the Resolution; and

(c) the giving of any direction or consent or the making of any request by the Registered Owners hereunder. The State and its agents may rely conclusively upon

(i) a certificate of the Securities Depository as to the identity of the Participants with respect to the Refunding Bonds; and

(ii) a certificate of any such Participant as to the identity of, and the respective principal amount of Refunding Bonds beneficially owned by, the Beneficial Owners.

(5) The State and its agents shall have no responsibility or obligations to the Securities Depository, any Participant, any Beneficial Owner or any other person which is not shown on the Refunding Bond Register, with respect to

(a) the accuracy of any records maintained by the Securities Depository or any Participant;

(b) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption or purchase price of, or interest on, any Refunding Bond;

(c) the delivery of any notice by the Securities Depository or any Participant;

(d) the selection of the Participants or the Beneficial Owners to receive payment in the event of any partial redemption of the Refunding Bonds; or

(e) any consent given or any other action taken by the Securities Depository or any Participant.

(6) The requirements in the Resolution of holding, delivering or transferring Refunding Bonds shall be deemed modified to require the appropriate person to meet the requirements of the Securities Depository as to registering or transferring the book-entry Refunding Bonds to produce the same effect. Any provision hereof permitting or requiring delivery of the Refunding Bonds shall, while the Refunding Bonds are in book-entry only form, be satisfied by the notation thereof on the books of the Securities Depository in accordance with applicable state law.

(B) The Division of Bond Finance may discontinue the book-entry system with the then-current securities depository, subject to the terms of its agreement with such securities depository. In this event, the Division of Bond Finance shall either

(1) identify another qualified securities depository or

(2) prepare and deliver replacement Refunding Bonds in the form of fully registered bonds to each Beneficial Owner.

ARTICLE III
APPLICATION OF PROCEEDS

SECTION 3.01. APPLICATION OF REFUNDING BOND PROCEEDS. Upon receipt of the proceeds of the sale of the Refunding Bonds the Division shall transfer and apply such proceeds as follows:

(A) The amount necessary to pay all costs and expenses of the Division in connection with the preparation, issuance, and sale of the Refunding Bonds, including a reasonable charge for the services of the Division for its fiscal services and for arbitrage rebate compliance program set-up, shall be transferred to the Division and deposited in the Bond Fee Trust Fund.

(B) Any accrued interest on the Refunding Bonds shall be transferred to the Board of Administration and deposited in the Sinking Fund, and used for the payment of interest on the Refunding Bonds.

(C) An amount necessary to fund the incremental increase in the Reserve Requirement, if any, attributable to the Refunding Bonds, to be held in reserve, shall be transferred to the Board of Administration and deposited in the Reserve Account within the Sinking Fund. Alternatively, the Division, as provided in Section 4.02 of the Original Resolution, may elect at any time to provide in lieu of all or a portion of such funds a Reserve Account Credit Facility in an amount equal to the difference between the Reserve Requirement and the sums then on deposit in the Reserve Account.

(D) An amount together with the interest earnings thereon, and other amounts deposited therein which is anticipated to be sufficient to pay when due (1) the principal amount of the Refunded Bonds, (2) the amount of interest and redemption premium payable on the Refunded Bonds, and (3) the amount of fees and expenses estimated to be incurred in connection with the payment and retirement of the Refunded Bonds, shall be either transferred and deposited in escrow pursuant to the terms of the Escrow Deposit Agreement or, at the discretion of the Director, deposited with the Bond Registrar/Paying Agent.

(E) Any balance of the proceeds of the Refunding Bonds after providing for the requirements of subsections (A) through (D) above shall be transferred to the Sinking Fund and used for the purposes set forth therein.

ARTICLE IV
SECURITY FOR THE BONDS

SECTION 4.01. REFUNDING BONDS ON A PARITY WITH THE OUTSTANDING BONDS. The Refunding Bonds shall be payable on a parity, and rank equally as to lien on and source and security for payments from the Pledged Revenues and in all other respects, with the other Outstanding Bonds.

SECTION 4.02. REFUNDING BONDS SECURED BY ORIGINAL RESOLUTION. The Refunding Bonds shall be deemed to have been issued pursuant to the Original Resolution, as supplemented by this Seventh Supplemental Resolution, as fully and to the same extent as the Outstanding Bonds, and all of the covenants and agreements contained in the Original Resolution, as amended and supplemented, shall be deemed to have been made for the benefit of the Registered Owners of the Refunding Bonds as fully and to the same extent as the Registered Owners of the Outstanding Bonds.

All of the covenants, agreements, and provisions of the Original Resolution, as amended and supplemented, except to the extent inconsistent herewith, shall be deemed to be part of this Seventh Supplemental Resolution to the same extent as if incorporated verbatim in this Seventh Supplemental Resolution, and shall be fully enforceable in the manner provided in the Original Resolution, as amended and supplemented, by any of the Registered Owners of the Refunding Bonds.

ARTICLE V
MISCELLANEOUS

SECTION 5.01. RESOLUTION NOT ASSIGNABLE. This Seventh Supplemental Resolution shall not be assignable by the Division or the Board of Administration, except for the benefit of the Registered Owners; provided, however, the Board may lease, from time to time, to other tenants such portion or portions of the Housing System as are not needed by the Board, to the extent that any such lease would not adversely affect the Pledged Revenues or the exclusion of interest on any tax-exempt Bonds from gross income for federal income tax purposes.

SECTION 5.02. MODIFICATION OR AMENDMENT. Modification or amendment hereof shall be governed by Section 8.02 of the Original Resolution.

SECTION 5.03. CONTINUING DISCLOSURE. (A) In order to comply with Rule 15c2-12 of the Securities and Exchange Commission, the Board agrees to provide or cause to be provided such information as may be required, from time to time, under such rule or any successor rule applicable to the Board of Governors.

(B) The Director, in conjunction with the appropriate officer of the Board, is authorized and directed to execute and deliver any documents or agreement which are necessary to comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission or any successor rule applicable to the Board of Governors.

SECTION 5.04. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants or provisions of this Seventh Supplemental Resolution shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants or provisions shall be null and void and shall be deemed separable from the remaining covenants or provisions of this Seventh Supplemental Resolution or of the Refunding Bonds and shall in no way affect the validity or enforceability of any other covenants, agreements or provisions of this Seventh Supplemental Resolution or of the Refunding Bonds issued hereunder.

SECTION 5.05. FISCAL AGENT. Upon the sale and delivery of the Refunding Bonds by the Division on behalf of the Board, the Board of Administration shall act as the fiscal agent for the Board with respect to the Refunding Bonds.

SECTION 5.06. REPEAL OF INCONSISTENT RESOLUTIONS. All prior or concurrent resolutions or parts of resolutions inconsistent with this Seventh Supplemental Resolution are hereby amended by this Seventh Supplemental Resolution, but only to the extent of any such inconsistency.

SECTION 5.07. SUCCESSOR AGENCIES AND OFFICIALS. Any references in the Resolution to offices, bodies, or agencies which have been or are superceded, replaced or abolished by law shall be deemed to refer to the successors of such offices, bodies, and agencies. Any action required or authorized to be taken by an official whose office, body, or agency has been or is so superceded, replaced, or abolished shall be taken by the successor to such official.

SECTION 5.08. CONFIRMATION OF ORIGINAL RESOLUTION. As supplemented by this Seventh Supplemental Resolution, the Original Resolution is in all respects ratified and confirmed, and this Seventh Supplemental Resolution shall be read, taken, and construed as a part of the Original Resolution.

SECTION 5.09. EFFECTIVE DATE. This Seventh Supplemental Resolution shall take effect immediately upon its adoption.

ADOPTED on March 10, 2015.

FLORIDA INTERNATIONAL UNIVERSITY[1]
Miami, Florida

Introduction and Brief History

Florida International University ("FIU" or the "University") is a multi-campus public research university offering a broad array of undergraduate, graduate, and professional programs. Its colleges and schools offer more than 180 bachelor's, master's, and doctoral degree programs in fields such as engineering, international relations, architecture, law and medicine. It has 190,000 alumni and enrolls approximately 54,000 across two campuses - the 342-acre Modesto A. Maidique campus in western Miami-Dade County - plus centers in downtown Miami, South Beach, and Miramar. FIU awards more than 12,000 degrees annually, is the largest university in South Florida, and the seventh largest public university in the United States based upon Fall 2014 student enrollment data.

Chartered by the Florida Legislature in 1965, FIU opened its doors in 1972 to the largest opening-day enrollment in the history of American higher education. Initially a two-year, upper-division school with limited graduate programs, FIU added lower-division classes in 1981 and received authority to begin offering degree programs at the doctoral level in 1984. Ninety-five percent of FIU's full-time tenured or tenure-track instructional faculty hold doctorates or the highest degree attainable in their fields. The Carnegie Foundation for the Advancement of Teaching classifies FIU as a Research University/High Research Activity with annual research expenditures of approximately $132 million.

Committed to both high quality and access, FIU meets the educational needs of full-time and part-time undergraduate and graduate students, and lifelong learners. Reflecting the vibrant ethnic diversity of South Florida, more than 85 percent of FIU students are Hispanic, black, or other minorities. FIU takes pride in the impact its graduates make upon the nation and the world.

Alumni. The University's 190,000 alumni constitute the largest university alumni group of any in Miami-Dade County. Most of the degrees awarded by universities in Miami-Dade County are conferred by FIU. Unlike most university graduates, FIU alumni remain in the region with approximately 74% (141,000 alumni) in South Florida.

Economic Impact. The University has approximately 5,740 employees (4,866 full-time), making it one of Miami-Dade County's largest employers. The annual budget of the University, including financial aid and current capital projects, is $1.3 billion. The University has an estimated economic impact of over $8.9 billion on the South Florida economy.

Accreditation and Memberships. The University is an accredited member of the Southern Association of Colleges and Schools ("SACS"). The professional programs of the University's respective schools are accredited, approved by the appropriate professional associations, or are pursuing full professional accreditation approval. All academic programs of the University are approved by the State Board of Education and the Board of Governors.

The University is also an affiliate member of the American Council of Education, the Association of Upper Level Colleges and Universities, the American Association of State Colleges and Universities, the Association of Public and Land-Grant Universities, and numerous other educational and professional associations.

[1] Source: Information in Appendix G is provided by Florida International University.

University Officials

Dr. Mark B. Rosenberg	President
Dr. Kenneth G. Furton	Provost, Executive Vice President & Chief Operating Officer
Dr. Kenneth A. Jessell	Senior Vice President of Administration & Chief Financial Officer
Mr. Howard R. Lipman	Senior Vice President, University Advancement; President & CEO, FIU Foundation Inc.
Mr. Pete Garcia	Executive Director of Sports & Entertainment
Dr. Andres G. Gil	Vice President of Sponsored Research
Mrs. Sandra B. Gonzalez-Levy	Senior Vice President of External Relations
Dr. Jaffus Hardrick	Vice President of Human Resources; Vice President for Access & Success
Dr. Larry Lunsford	Vice President of Student Affairs
Ms. M. Kristina Raattama	General Counsel
Dr. John Rock	Senior Vice President of Medical Affairs & Founding Dean, Herbert Wertheim College of Medicine
Mr. Steve A. Sauls	Vice President of Governmental Relations
Dr. Luisa Havens	Vice President of Enrollment Services
Mr. Saif Ishoof	Vice President for Engagement
Ms. Terry Witherell	Vice President of External Relations
Mr. Robert Grillo	Vice President of Information Technology & Chief Information Officer
Javier I. Marques	Chief of Staff to the President

Governance

Effective January 7, 2003, a statewide Board of Governors was created pursuant to Article IX, Section 7(d), of the Florida Constitution to operate, regulate, control and be fully responsible for the management of the University System. The Board of Governors defines the mission of each university and ensures the well-planned coordination and operation of the State University System. The Governor appoints fourteen members to the Board of Governors for staggered, seven year terms. The appointed members are subject to confirmation by the Senate. The Commissioner of Education, the chair of the Advisory Council of Faculty Senates and the president of the Florida Student Association also serve as members.

Each university is directly governed by a Board of Trustees ("the Trustees"), consisting of thirteen members. The Boards of Trustees were created pursuant to Article IX, Section 7(c), of the Florida Constitution. The Governor appoints six citizen members and the Board of Governors appoints five citizen members. These members are confirmed by the Senate and serve staggered, five year terms. The chair of the faculty senate and the student body president of the university are also members. The Board of Governors establishes the powers and duties of the Trustees. The Trustees are responsible for setting policies for the university which provide governance in accordance with the rules of the Board of Governors. The university president serves as the executive officer and corporate secretary of the Trustees and is responsible for all operations of the university. Other senior administrative officers of the universities are designated by the president. Generally, the Provost/Vice President for Academic Affairs assumes responsibility for the president during any absence and is the chief academic officer in the university organization. Other vice presidents have responsibility for specific areas within the organization. The deans of colleges and schools are responsible to the Provost for all matters relating to programs and personnel in their respective academic units.

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The establishment of individual University Board of Trustees has increased the individual institutions' control of academic and fiscal affairs. Under this structure, the universities are no longer state agencies, but rather are autonomous state-supported public corporations. While the exact structure of the system continues to evolve, certain of the changes provide the individual universities with greater fiscal autonomy and financial control.

Budget. Each university has control over its own budget, once State funds have been received. The Florida Legislature retains control of the appropriations process.

Tuition. The universities have been granted certain powers with regard to setting tuition and the right to retain their own tuition revenues instead of sending them to the State for redistribution. However, tuition-setting power for in-state students remains largely in the hands of the Legislature, with lawmakers determining the maximum allowable tuition increase and universities setting the tuition within those limits. The University's ability to set and collect certain student service fees provides a meaningful offset to limitations regarding tuition.

Bonding Authority. Bond-issuing authority is retained by the State of Florida Division of Bond Finance; the University can borrow through affiliated foundations and direct support organizations outside the Division of Bond Finance. The Board of Governors is authorized to request the issuance of revenue bonds to finance or refinance capital outlay projects permitted by law.

Buildings and Other Capital Facilities

The University has two main campuses including the 342-acre Modesto A. Maidique Campus in southwest Miami-Dade County and the 200-acre Biscayne Bay Campus in northeast Miami-Dade County. The University also operates four off-campus educational sites: the Engineering Center (near MMC); FIU Downtown Center (Brickell); Miami Beach Urban Studios; and FIU at I-75 (West Broward County). In addition, the University has a major research facility, the Frost Museum on the Modesto A. Maidique Campus, and the Wolfsonian FIU, a museum located in historic South Beach that houses a collection of art and design. The University has 90 major buildings totaling approximately ten million square feet. The Modesto A Maidique Campus has 59 major buildings, which include two five-story parking garages, four six-story parking garages, a residential apartment complex, six residence halls, a football stadium, a baseball stadium, and an athletic arena that includes a gymnasium. The Biscayne Bay Campus has 16 major buildings, including an Olympic-type aquatic center.

The 2000 legislature approved a College of Law at the University (Chapter 2000-259, Laws of Florida), the first such public college in the state south of Gainesville, Florida. The College of Law opened in Fall 2002 and received permanent accreditation in Spring 2006.

The Florida Legislature and Florida Board of Governors authorized FIU's College of Medicine in March 2006, in response to a regional shortage of physicians; the need for better access to medical education and patient care; and the need to reduce health disparities in the community. The College of Medicine opened in Fall 2009 following the Liaison Committee on Medical Education's ("LCME") preliminary accreditation. The College of Medicine received full accreditation in February 2013.

The Board of Regents approved the formation of a football program in Spring 2001. The University's football team played in a temporary stadium built in 1995. In 2005, the NCAA approved FIU's application to play Division 1-A. The University opened a permanent stadium in Fall 2008 on the Modesto A Maidique campus and expanded capacity to 25,000 seats in Fall 2012.

Between 2004 and 2014, the new Frost Museum, College of Law, Marine Biology, Graduate School of Business, Lakeview Housing Buildings, College of Nursing & Health Sciences, SIPA/Social Sciences, PG5 Market Station, Stocker AstroScience Center, Satellite Chiller Plant, Science Classroom Complex, the Stempel College of Public Health and Social Work Center, the Mixed Use College of Business Building, the Parkview student housing facility, and the PG6 Tech Station buildings were completed. The University has begun construction on various building projects expected to be completed over the next five years. Construction is in progress for a Student Academic Support Center and the Ambulatory Care Center Complex. Planning and design is underway for the expansion of the Recreation Center and the Frost Museum of Science/Batchelor Environmental Center.

Capital Improvement Plan

The following table shows the University's capital improvement projects currently in progress or planning as well as the funding sources for each. Some of these projects will be funded with Public Education Capital Outlay ("PECO") funds appropriated by the Legislature. Various other funding sources (general revenue, capital improvement fee trust fund, private funds, bond proceeds, etc.) provide resources to finance the remainder of the capital improvement projects.

Capital Improvement Projects[1]
as of February 2, 2015

Project Name	Public Education Capital Outlay	Other Funding	Total Project Costs
Student Academic Support Center	$30,938,383		$30,938,383
Ambulatory Care Center		$10,298,524	10,298,524
Recreation Center Expansion		13,622,282	13,622,282
Frost Museum/Batchelor Environmental Center	-	5,000,000	5,000,000
Total	**$30,938,383**	**$28,920,806**	**$59,859,189**

[1] Projects are in construction or design phase and amounts are estimates and are subject to change.

The following table lists the University's five-year capital improvement plan in priority level.

Five Year Capital Improvement Plan and Legislative Budget Request
In Order of Priority[1]

		Request per Fiscal Years Ending June 30					
PECO	**Project Name**	**2016**	**2017**	**2018**	**2019**	**2020**	**Total Requested**
1	Facilities Infr./Capital Renewal	$10,500,000	$10,500,000	$10,500,000	$10,500,000	$10,500,000	$52,500,000
2	Strategic Land Acquisition	20,000,000	15,000,000	5,000,000			40,000,000
3	Satellite Chiller Plant Expansion	7,000,000					7,000,000
4	SIPA Phase II	10,600,000	14,200,000				24,800,000
5	Rem./Ren. of existing Educ. Space		20,000,000	11,300,000			31,300,000
6	Green Library Addition		13,850,000	29,400,000	5,050,000		48,300,000
7	Classroom/Office, (Academic III)		3,420,000	18,200,000	6,430,000		28,050,000
8	Grad. School of Business, Phase II		2,750,000	17,050,000	10,000,000	6,400,000	36,200,000
9	Science Laboratory Complex				30,300,000	28,700,000	59,000,000
10	Rem./Ren. Student Acad. Support				20,500,000	6,000,000	26,500,000
11	Rem./Ren. Academic Data Center				12,775,000	7,557,500	20,332,500
12	Engineering Building				1,000,000	12,850,000	13,850,000
13	Training Complex				1,200,000	16,400,000	17,600,000
14	Honors College				2,000,000	29,500,000	31,500,000
15	Humanities Center				23,700,000	9,800,000	33,500,000
16	Academic Health Center Study				10,000,000	8,000,000	18,000,000
Total PECO		**$48,000,000**	**$79,720,000**	**$91,450,000**	**$133,455,000**	**$135,707,500**	**$488,432,500**
Capital Improvement Trust Fund							
1	Graham University Center	$12,000,000	$12,000,000				$24,000,000
2	WUC Renovations	3,000,000	3,000,000				6,000,000
3	Recreation Center Expansion	1,000,000	1,000,000				2,000,000
Total CITF		**$16,000,000**	**$16,000,000**	**$0**	**$0**	**$0**	**$32,000,000**
Total PECO & CITF		**$64,100,000**	**$95,720,000**	**$91,450,000**	**$133,455,000**	**$135,707,500**	**$520,432,500**

Budgetary Process

The University's operating budget is comprised of the following budget categories: Education and General, Auxiliary Enterprises, Intercollegiate Athletics, Concessions, Student Activities, Contracts and Grants, Student Financial Aid, Self Insurance Program and Faculty Practice.

Educational and General. The University receives an allocation of educational and general resources from the Florida Legislature, which is developed in accordance with the General Appropriations Act, the Implementing Legislation Bill, the Legislative Appropriations Work Papers and the Letter of Intent. The University president approves the general guidelines for the allocation of educational and general resources at the University level. Within the president's guidelines and the guidelines provided by the Board of Trustees, an allocation is made to each vice-president for the functional areas under his/her direction. In coordination with the Office of Financial Planning and the Division of Administration and Finance, a distribution is made by account/department.

Auxiliary Enterprises, Intercollegiate Athletics and Concessions. Vice presidents and the Office of Financial Planning prepare operating budget requests for these activities based on anticipated revenues. The Office of Financial Planning then coordinates the vice presidents' presentations and justifications for annual budget requests as required and finalizes them based on the Board of Trustees' guidelines. Budget revisions as required by the president are incorporated in the requests.

[1] List is based on the submission to the Board of Governors and reflects requested funds for projects that are survey recommended.

Student Activities. This budget consists of planned expenditures funded from activity and service fees which the University is authorized by the rules of the Florida Board of Education to charge its students. The budget is developed and approved in accordance with Section 1009.24(8) and (9)(a)(b), Florida Statutes.

Contracts and Grants. This budget consists of estimated expenditures supported by various private businesses as well as federal, state and local units of government.

Student Financial Aid. This budget consists of estimated expenditures of revenues received for loans, grants, scholarships and other student financial aid.

Self Insurance Program. This budget consists of estimated expenditures related to the administration of the University's Medical Self Insurance Program. Expenditures include costs associated with risk/claims management, annual auditing fees and annual actuarial reports.

Faculty Practice. This budget consists of estimated expenditures related to the University's Medical Faculty Practice Plan. Expenditures are for practice personnel, incremental start up costs and practice operations.

Based on the guidelines provided by the Board of Governors, the University submits all budgets to the Board of Trustees for approval. Approved budgets are released for expenditures to the University. All of the colleges/campuses of the University submit budget requests for additional resources annually to the Office of Financial Planning. Any new State resources are allocated to the University according to the priorities set by the president, as are any University-wide reductions. A comparison of the operating budget of the University is included below for Fiscal Years 2010-11 through 2014-15.

Operating Budget

Budget Entity	2010-11	2011-12	2012-13	2013-14	2014-15
Educational and General	$382,295,648	$381,103,698	$385,180,140	$436,112,787	$486,093,762
Auxiliary Enterprises	119,503,390	140,330,571	183,478,576	181,771,244	194,120,083
Contracts and Grants	94,982,558	89,111,164	94,683,008	104,748,173	116,970,333
Student Activities	6,771,922	7,625,524	9,325,880	9,526,046	16,804,920
Intercollegiate Athletics	21,022,184	22,642,020	24,240,409	25,429,182	26,729,575
Campus Concessions	505,352	547,508	720,362	705,833	756,102
Student Financial Aid/Loans	113,964,617	139,590,711	161,634,498	142,814,090	147,774,587
Technology Fee	8,211,340	8,634,982	8,528,472	9,079,404	10,073,245
Self Insurance	78,579	260,000	469,834	200,000	370,801
Board Approved Fees	-	510,000	510,000	510,000	315,525
Faculty Practice	123,490	1,246,836	249,853	4,969,101	11,834,396
Total	$747,459,080	$791,603,014	$869,021,032	$915,865,86	$1,011,843,329

Historical Summary of Revenue Sources. The following table sets forth the percentage of the University's total revenues represented by each revenue source for the periods indicated.

Historical Summary of Current Fund Sources[1]
(As a Percent of Total)

Fund Source	Fiscal Year Ended June 30,				
Restricted and Unrestricted	**2010**	**2011**	**2012**	**2013**	**2014**
Student Tuition and Fees, Net	22.3%	22.6%	26.6%	32.7%	31.6%
State Appropriations and ARRA Funds	32.7%	30.9%	26.2%	22.6%	26.0%
Federal Contracts, Grants and Gifts	9.6%	9.3%	9.6%	9.6%	9.2%
Private Contracts, Grants and Gifts	1.4%	1.3%	1.3%	1.4%	1.4%
Other Government Contracts, Grants & Gifts	1.4%	1.6%	1.0%	0.9%	0.8%
Federal and Student Financial Aid	12.4%	14.9%	15.1%	14.1%	12.7%
Auxiliary Enterprises	14.7%	14.7%	15.7%	13.3%	11.7%
Net Investment Income	3.7%	3.2%	1.2%	1.7%	2.7%
Other Sources	1.8%	1.5%	3.3%	3.7%	3.9%
Total Current Fund Sources	100.0%	100.0%	100.0%	100.0%	100.0%

Tuition and Fees. The following table lists the registration, tuition and local fees charged to each undergraduate student per credit hour for the current and past five academic years.

Registration, Tuition and Local Fees for UNDERGRADUATE Students per Credit Hour

Registration and Tuition Fees	**2010-11**	**2011-12**	**2012-13**	**2013-14**	**2014-15**
In-State Students:					
Matriculation Fee	$ 95.67	$ 103.32	$ 103.32	$ 105.07	$ 105.07
Tuition Differential[2]	22.00	32.00	52.29	52.29	52.29
Building Fee[3]	2.32	2.32	-	-	-
Student Financial Aid Fee	4.78	5.16	5.16	5.25	5.25
Capital Improvement Trust Fund Fee	2.44	2.44	6.76	6.76	6.76
In-State Subtotal	$127.21	$145.24	$167.53	$169.37	$169.37
Out-of-State Students					
(in addition to the above fees):					
Tuition	$393.62	$393.62	$393.62	$393.62	$393.62
Supplemental Student Financial Aid Fee	19.68	19.68	19.68	19.68	19.68
Out-of-State Subtotal	$540.51	$558.54	$580.63	$580.67	$580.67
Local Fees[4]					
Activity & Service Fee	$11.60	$11.60	$12.87	$12.87	$12.87
Technology Fee[5]	4.78	5.16	5.16	5.25	5.25
Athletic Fee	14.51	15.56	16.10	16.10	16.10
Local Fees Subtotal	$30.89	$32.32	$34.13	$34.22	$34.22
Total In-State Tuition and Fees (per credit hour)	$ 158.10	$ 177.56	$201.66	$203.59	$203.59
Total Out-of-State Tuition and Fees (per credit hour)	$ 571.40	$ 590.86	$614.96	$616.89	$616.89
Per Student Flat Fee[6]					
Athletic Fee	$ 10.00	$ 10.00	$ 10.00	$ 10.00	$ 10.00
Health Fee	83.19	83.19	83.19	93.69	93.69
Transportation Access Fee	81.00	81.00	88.94	89.00	89.00
Total Per Term	$ 174.19	$ 174.19	$182.13	$192.69	$192.69

[1] Sourced from the University's Financial Statements. Numbers may not add due to rounding.
[2] Differential tuition applicable only to students admitted after Fall 2007 and not in the Florida Prepaid Program.
[3] Building Fee combined with CITF Fee in Fiscal Year 2012-13.
[4] Local Fees and flat fees are assessed to both in-state and out-of-state students in addition to the registration and tuition fees. These fees are tax-free with the exception of the Transportation Access Fee which is not shown with the 1.8% sales tax.
[5] Technology Fee approved for uses which enhance instructional technology.
[6] Flat Fees are per student per term (fall, spring, summer).

The following table lists the registration, tuition and local fees charged to each graduate student per credit hour for the current and past five academic years.

Registration, Tuition and Local Fees for GRADUATE Students per Credit Hour

Registration and Tuition Fees	**2010-11**	**2011-12**	**2012-13**	**2013-14**	**2014-15**
In-State Students:					
Matriculation Fee	$309.81	$334.59	$351.31	$368.88	$379.95
Building Fee[1]	2.32	2.32	-	-	-
Student Financial Aid Fee	15.49	16.72	17.56	18.44	18.99
Capital Improvement Trust Fund Fee	2.44	2.44	6.76	6.76	6.76
In-State Subtotal	$330.06	$356.07	$375.63	$394.08	$405.70
Out-of-State Students					
(in addition to the above fees):					
Tuition	$480.08	$480.08	$480.08	$480.08	$520.05
Supplemental Student Financial Aid Fee	24.00	24.00	24.00	24.00	26.00
Out-of-State Subtotal	$834.14	$860.15	$879.71	$898.16	$951.75
Local Fees[2]					
Activity & Service Fee	$11.60	$11.60	$12.87	$12.87	$12.87
Technology Fee[3]	15.49	16.72	17.56	18.44	18.99
Athletic Fee	14.51	15.56	16.10	16.10	16.10
Local Fees Subtotal	$41.60	$43.88	$46.53	$47.41	$47.96
Total In-State Tuition and Fees (per credit hour)	$371.66	$399.95	$422.16	$441.49	$453.66
Total Out-of-State Tuition and Fees (per credit hour)	$875.74	$904.03	$926.24	$945.57	$999.71
Per Student Flat Fee[4]					
Athletic Fee	$10.00	$10.00	$10.00	$10.00	$10.00
Health Fee	83.19	83.19	83.19	93.69	93.69
Transportation Access Fee	81.00	81.00	88.94	89.00	89.00
Total Per Term	$174.19	$174.19	$182.13	$192.69	$192.69

History of General Revenue Appropriations. The following table sets forth the history of General Revenue appropriations available to the University. General Revenue appropriations are primarily funded from Florida's sales tax.

History of General Revenue Appropriations

Fiscal Year	**University General Revenue**	**College of Medicine General Revenue**	**Educational Enhancement/ Lottery**	**Tuition**	**Total**
2010-11	$164,684,070	$25,210,077	$24,187,023	$167,651,215	$381,732,385
2011-12	141,854,175	26,293,035	26,950,631	190,412,310	385,510,151
2012-13	126,381,914	26,935,242	20,502,257	218,091,018	391,910,431
2013-14	166,181,399	30,543,189	24,683,892	223,771,854	445,180,334
2014-15[5]	158,952,547	30,868,321	30,665,057	241,462,457	461,948,382

[1] Building Fee combined with CITF Fee in Fiscal Year 2012-13.
[2] Local Fees and flat fees are assessed to both in-state and out-of-state students in addition to the registration and tuition fees. These fees are tax-free with the exception of the Parking Access Fee which is not shown with the 1.8% sales tax.
[3] Technology Fee approved for uses which enhance instructional technology.
[4] Flat Fees are per student per term (fall, spring, summer)
[5] Budget, all other years actual.

History of Trust Fund Appropriations. The following table sets forth the history of trust fund appropriations available to the University, by budget entity.

History of Trust Fund Appropriations

Fiscal Year	Educational & General[1]	Contracts & Grants	Auxiliary Enterprises	Other[2]	Total
2010-11	$156,960,021	$86,572,638	$127,641,069	$189,496,693	$560,670,421
2011-12	212,956,488	87,518,180	156,387,266	179,767,448	636,629,382
2012-13	231,862,984	102,599,067	166,591,241	184,742,318	685,795,610
2013-14	239,388,199	125,821,206	183,652,149	195,580,325	744,441,879
2014-15[3]	296,272,894	116,970,333	194,120,083	202,453,964	809,817,274

[1] Student Fee Expenditures (excluding waivers which are reported under revenue) and Florida Lottery Funds.
[2] Includes Student Activities, Athletics, Concessions, Financial Aid and Stimulus Funds for Fiscal Year 2010-11 (Local Funds).
[3] Budget; all other years are actual.

History of Financial Aid Awards. The following table sets forth the history of financial aid awards.

History of Financial Aid Awards[1]

	Source of Awards	2009-10	2010-11	2011-12	2012-13	2013-14
Federal	Number of Awards	36,826	45,878	47,418	48,600	50,467
	Amount of Awards(000's)	$249,104	$303,106	$325,329	$342,354	$361,644
State	Number of Awards	13,939	14,803	15,173	14,811	14,403
	Amount of Awards(000's)	$29,203	$31,147	$27,530	$26,628	$27,897
Institutional	Number of Awards	13,374	14,323	17,077	20,261	19,187
	Amount of Awards(000's)	$27,662	$32,847	$39,043	$47,669	$53,678
Private	Number of Awards	1,165	1,685	1,417	1,567	2,076
	Amount of Awards(000's)	$6,638	$7,532	$8,306	$10,225	$10,663
Other	Number of Awards	19	166	-	-	-
	Amount of Awards(000's)	$14	$400	-	-	-
Total	Number of Awards	65,323	76,855	81,085	85,239	86,124
	Amount of Awards(000's)	$312,621	$375,032	$400,209	$426,876	$453,882
	Type of Awards					
Grants	Number of Awards	31,646	38,353	39,128	42,616	41,332
	Amount of Awards(000's)	$85,249	$108,916	$107,709	$115,697	$120,893
Loans	Number of Awards	18,543	21,739	24,403	25,557	27,081
	Amount of Awards(000's)	$187,424	$219,980	$247,140	$266,080	$279,302
Scholarships	Number of Awards	14,718	16,264	16,877	16,646	17,247
	Amount of Awards(000's)	$38,161	$44,252	$42,766	$43,703	$51,697
FWS & PSWEP	Number of Awards	416	499	677	420	464
	Amount of Awards(000's)	$1,787	$1,884	$2,594	$1,395	$1,992
Total	Number of Awards	65,323	76,855	81,085	85,239	86,124
	Amount of Awards(000's)	$312,621	$375,032	$400,209	$426,876	$453,882

[1] Numbers may not add due to rounding.

Selected Historical Financial Information

Financial Information. Selected University financial information for Fiscal Year 2009-10 through Fiscal Year 2013-14 is set forth in the following two tables. This selected historical information has been derived from, and should be read in conjunction with, the University's financial statements and the related notes thereto.

Historical Summary of Statement of Net Position (000's)*

ASSETS					
Current Assets:	**2010**	**2011**	**2012**	**2013**	**2014**
Cash and Cash Equivalents	$1,926	$9,152	$3,116	$11,601	$15,293
Investments with State	236,395	259,362	270,228	262,775	277,390
Accounts Receivables, Net	26,362	30,048	28,112	31,205	25,919
Due from State	130,284	139,992	111,623	56,272	44,653
Notes Receivable, Net	386	1,498	1,003	1,070	839
Inventories	389	398	490	250	356
Other Current Assets	857	1,125	1,942	2,272	1,986
Total Current Assets	$396,599	$441,575	$416,514	$365,446	$366,436
Non-Current Assets:					
Restricted Cash and Cash Equivalents	$6,075	$883	$67	$281	$417
Restricted Investments with State	26,446	20,940	72,734	28,504	31,036
Loans and Notes Receivable, Net	2,621	1,927	2,119	2,050	2,357
Depreciable Capital Assets, Net	590,544	641,190	637,661	674,312	717,504
Land and Other Non-dep. Capital Assets	129,637	115,829	113,763	178,566	205,330
Other Assets	4,820	4,470	8,477	8,959	6,912
Total Non-Current Assets	$760,143	$785,239	$834,821	$892,672	$963,557
Total Assets	$1,156,742	$1,226,814	$1,251,335	$1,258,118	$1,329,993
LIABILITIES					
Current Liabilities:					
Accounts Payable	$16,252	$8,881	$13,114	$14,375	$17,968
Salary and Payroll Taxes Payable	9,202	7,046	4,675	4,924	6,499
Construction Contracts Payable	5,368	4,868	3,226	20,249	14,643
Deferred Revenue	136,876	144,342	64,804	21,321	6,365
Deposits Payable	9,222	10,399	6,700	3,229	1,691
Due to State	471	278	179	304	219
Capital Improvement Debt Payable	6,428	6,701	7,148	8,465	8,830
Bonds and Revenue Certificates Payable	-	-	-	-	-
Capital Leases Payable	900	573	163	253	182
Liability for Self-Insurance Claims	8	24	21	45	41
Compensated Absences Payable	2,067	2,412	2,461	2,417	2,806
Other Current Liabilities	966	290	346	215	740
Total Current Liabilities	$187,760	$185,814	$102,837	$75,796	$59,984
Non-Current Liabilities:					
Capital Improvement Debt Payable	124,242	117,541	158,683	150,218	173,650
Bonds and Revenue Certificates Payable	-	-	-	-	-
Capital Leases Payable	540	252	133	-	855
Liability for Self-Insurance Claims	68	220	192	31	39
Compensated Absences Payable	26,987	31,757	30,886	31,757	34,882
Other Post Employment Benefits	8,240	12,082	19,185	26,197	37,348
Other Noncurrent Liabilities	2,695	2,572	51,738	35,024	28,621
Total Non-Current Liabilities	162,772	164,424	260,817	243,227	275,396
Total Liabilities	$350,532	$350,238	$363,654	$319,024	$335,380
NET POSITION					
Invested in Capital Assets, Net of Related Debt	$588,153	$633,220	$633,863	$696,349	$772,171
Restricted Expendable:					
Loans	332	288	326	487	547
Capital Projects	20,861	11,456	25,610	15,279	3,617
Debt Service	352	2,891	2,534	2,869	2,867
Other Restricted Net Assets	17,974	30,581	42,587	41,794	32,900
Unrestricted	178,538	198,141	182,761	182,317	182,511
Total Net Position	$806,210	$876,576	$887,681	$939,094	$994,613
Total Liabilities and Net Position	$1,156,742	$1,226,814	$1,251,335	$1,258,118	$1,329,993

*Numbers may not add due to rounding.

Historical Summary of Statement of Revenues, Expenses and Changes in Net Position (000's)*

Operating Revenue:	2010	2011	2012	2013	2014
Student Tuition and Fees	$214,551	$253,780	$287,781	$348,024	$383,584
Less: Tuition Scholarship Allowances	(65,826)	(86,468)	(89,722)	(96,798)	(108,505)
Net Student Tuition and Fees	148,725	167,312	198,059	251,227	275,079
Federal Grants and Contracts	64,198	69,042	71,359	73,692	80,339
State and Local Grants and Contracts	9,181	11,927	7,084	6,528	7,172
Non-governmental Grants and Contracts	9,257	9,488	9,776	11,053	12,030
Sales and Services of Auxiliary Enterprise	97,120	109,162	117,185	101,810	101,503
Sales and Services of Educational Departments	439	165	279	439	795
Interest on Loans Receivable	47	55	56	43	8
Other Operating Revenue	10,742	9,820	15,163	17,717	13,531
Total Operating Revenue	$339,709	$376,971	$418,961	$462,509	$490,457
Operating Expenses:					
Personnel Services	$376,701	$413,154	$436,424	$470,438	$525,055
Contractual Services	102,261	116,472	122,898	125,055	131,615
Utilities	13,778	14,722	16,328	15,978	16,215
Materials and Supplies	21,270	19,039	22,851	23,357	25,918
Repairs and Maintenance	6,973	8,096	11,724	10,835	14,205
Scholarships and Fellowships	67,396	85,218	89,194	87,936	93,660
Depreciation Expense	36,681	38,771	38,658	39,586	41,449
Self-Insured Claims and Expenses	84	183	(10)	(114)	26
Total Operating Expenses	$625,144	$695,656	$738,067	$773,071	$848,143
Total Operating Income (Loss)	$(285,435)	$(318,685)	$(319,106)	$(310,562)	$(357,686)
Non-Operating Revenues (Expenses)					
State Appropriations	$203,133	$214,081	$195,098	$173,819	$225,862
Investment Income	7,192	14,924	9,082	13,314	23,568
Net Unrealized Gains/Losses on Investments	17,075	8,947	(101)	-	-
Federal and State Student Financial Aid	82,412	109,871	112,475	107,919	110,809
State Appropriated ARRA Funds	15,117	14,495	-	-	-
Other Non-Operating Revenue	968	1,225	9,454	10,558	19,630
Interest on Asset-Related Debt	(5,762)	(6,316)	(6,112)	(7,111)	(7,804)
Gain/(Loss) on Disposal of Capital Assets	(173)	16	(523)	180	(187)
Other Non-Operating Expenses	(101)	(1,210)	(28,148)	(240)	(3,417)
Total Non-Operating Revenues (Expenses)	$319,861	$356,033	$291,225	$298,440	$368,461
Income (Loss) Before Other Revenues, Expenses, Gains or Losses	$34,426	$37,348	$(27,881)	$(12,123)	$10,775
Capital Appropriations	45,839	31,842	34,320	59,413	39,287
Capital Grants and Contracts	2,917	1,176	4,666	4,123	5,456
Change in Net Position	$83,182	$70,365	$11,105	$51,413	$55,519
NET POSITION					
Net Position, Beginning of Year	$701,432	$806,210	$876,576	$887,681	$939,094
Adjustment to Beginning Net Position	21,596	-	-	-	-
Total Adjusted Restated Net Position – Beg	$723,028	$806,210	$876,576	$887,681	$939,094
Total Net Position – Ending	$806,210	$876,576	$887,681	$939,094	$994,613

*Numbers may not add due to rounding.

Students

General. The University's undergraduate and graduate enrollment has increased approximately 30% over the past five years. Competition for acceptance to the University is created by the quality and extent of the applicant pool. Students with strong academic preparation and high test scores are given preference in a competitive admissions process. The requirements for admission include (i) submission of a State University System of Florida application form, (ii) submission of official secondary school transcripts and appropriate admission exam test scores, (iii) proof of graduation from an accredited secondary school and (iv) 19 academic units in specified college preparatory courses. Currently, applicants who show potential in areas not easily evaluated by standard tests can be considered for admission under an admission exception rule.

Applicants to a graduate program of the University must meet the minimum standards set by the Florida Board of Education, the University and when applicable, additional requirements set by each department for admission to a graduate program. A student seeking admission into a graduate program must have a bachelor's degree or equivalent from a regionally accredited institution or, in the case of foreign students, an institution recognized in its own country as preparing students for further study at the graduate level. Applicants must submit official copies of all transcripts. In most cases, an applicant must, at a minimum, present a "B" average in upper level work, or a graduate degree from an accredited institution and certain minimum scores on graduate admissions exams. A Florida Board of Education exception policy allows up to 10% of the graduate students admitted for a particular academic year to be admitted as exceptions to the graduate admissions criteria.

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Student Enrollment. The following table shows the admission and registration data for the University for the most recent five fall semesters for which information is available.

New Admission and Registration Headcounts and Percentages by Type of Student

	Fall 2010	Fall 2011	Fall 2012	Fall 2013	Fall 2014
Total Students:					
No. of Applicants	37,634	41,141	39,741	40,445	42,601
No. Admitted	16,748	17,962	18,013	19,126	20,364
% of Applicants Admitted	45%	44%	45%	47%	48%
No. Enrolled	9,050	9,752	9,668	10,554	10,491
% of Admitted Enrolled	54%	54%	54%	55%	52%
First-Time-in-College:					
No. of Applicants	15,061	16,626	15,863	16,549	17,617
No. Admitted	5,949	6,545	6,418	7,122	8,380
% of Applicants Admitted	39%	39%	40%	43%	48%
No. Enrolled	2,338	2,607	2,636	2,990	3,013
% of Admitted Enrolled	39%	40%	41%	42%	36%
Community College Transfers:					
No. of Applicants	5,075	5,540	5,180	5,391	5,634
No. Admitted	4,360	4,578	4,371	4,491	5,030
% of Applicants Admitted	86%	83%	84%	83%	89%
No. Enrolled	3,057	3,226	2,989	3,324	3,457
% of Admitted Enrolled	70%	70%	68%	74%	69%
Other Undergraduate Transfers:					
No. of Applicants	3,879	4,253	3,707	4,041	4,349
No. Admitted	2,166	2,339	2,185	2,682	2,445
% of Applicants Admitted	56%	55%	59%	66%	56%
No. Enrolled	1,273	1,310	1,259	1,562	1,425
% of Admitted Enrolled	59%	56%	58%	58%	58%
Post Baccalaureate:					
No. of Applicants	13,619	14,722	14,991	14,464	15,001
No. Admitted	4,273	4,500	5,039	4,831	4,509
% of Applicants Admitted	31%	31%	34%	33%	30%
No. Enrolled	2,382	2,609	2,784	2,678	2,596
% of Admitted Enrolled	56%	58%	55%	55%	58%
Graduate:					
No. of Applicants	7,518	8,583	8,766	8,390	8,751
No. Admitted	3,644	3,848	4,121	3,922	3,781
% of Applicants Admitted	48%	45%	47%	47%	43%
No. Enrolled	2,176	2,367	2,498	2,373	2,305
% of Admitted Enrolled	60%	62%	61%	61%	61%
Professional:					
No. of Applicants	6,101	6,139	6,225	6,074	6,250
No. Admitted	629	652	918	909	728
% of Applicants Admitted	10%	11%	15%	15%	12%
No. Enrolled	206	242	286	305	291
% of Admitted Enrolled	33%	37%	31%	34%	40%

The table below shows the full-time equivalent ("FTE") enrollment of the University by level for each of the past five academic years. The full-time equivalent student calculation factor is a measure of student enrollment based on the number of student credit hours for which students enroll. Under Florida's methodology for calculating FTE, 15 undergraduate student credit hours or 12 graduate student credit hours are equivalent to one FTE during the fall and spring semesters. For housing and financial aid purposes, undergraduate students are considered full time if they take 12 credit hours, and graduate students are considered full time if they take 9 credit hours. During the summer semester, 10 undergraduate student credit hours or 8 graduate student credit hours are equivalent to one FTE. Annual full-time equivalency is 40 hours for undergraduate students and 32 hours for graduate students. FTE enrollment is determined by dividing the total number of hours enrolled by all students in a specific category by the appropriate hour requirement.

Full-Time Equivalent Enrollment by Level and Total Headcount Enrollment

	Annual Full-Time Equivalent[1, 3]				Fall Headcount			
Academic Year	Undergraduate	Graduate	Total	Fall	Undergraduate	Graduate	Total	Other[2]
2009-10	20,608	4,806	25,414	2009	32,535	7,920	40,455	884
2010-11	22,381	4,907	27,288	2010	35,595	8,415	44,010	1,935
2011-12	24,286	4,661	28,947	2011	39,227	8,739	47,966	3,513
2012-13	24,676	4,470	29,146	2012	41,694	8,700	50,394	4,742
2013-14	25,775	4,334	30,109	2013	44,395	8,585	52,980	5,436
				2014	45,475	8,624	54,099	5,608

[1] Does not include College of Medicine students.
[2] Represents dual enrollment students which are included in total.
[3] Annual FTE for Academic Year 2014-15 not available.

The following table shows the headcount enrollment and FTE projections for the University for the next five years. No representations are made as to the reasonableness of the assumptions used in preparing the projections; no assurances are made that actual results will equal those set forth below and investors should not rely on such projections in making their investment decision.

Projected Annual FTE and Headcount Enrollment

	2014-15	2015-16	2016-17	2017-18	2018-19
FTE	34,057	35,113	35,958	36,834	37,764
Headcount	54,830	56,625	58,107	59,636	61,253

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The tables below show the total headcount enrollment of students by area of origin for the past five fall semesters.

Total Headcount Enrollment by Area of Origin at Time of Admission or Readmission

Area	Fall 2010	Fall 2011	Fall 2012	Fall 2013	Fall 2014
Florida	39,956	43,692	45,915	48,140	49,268
New York	310	287	296	293	287
New Jersey	157	175	179	203	195
California	138	172	197	195	207
Texas	101	112	119	136	142
Georgia	90	118	132	132	148
Pennsylvania	79	85	91	96	100
Maryland	90	81	94	114	135
Massachusetts	81	74	74	75	64
Virginia	76	88	110	126	135
All Other States	736	862	898	941	989
Foreign Students	2,013	2,013	2,110	2,110	2,380
Unknown	183	207	179	419	49
Total	44,010	47,966	50,394	52,980	54,099

Total Headcount Enrollment by Florida County of Origin at Time of Admission or Readmission

County	Fall 2010	Fall 2011	Fall 2012	Fall 2013	Fall 2014
Dade	30,195	32,820	34,425	35,904	36,641
Broward	6,537	7,183	7,561	8,010	8,352
Palm Beach	746	869	980	1,035	1,088
Orange	315	364	373	415	398
Hillsborough	268	292	341	359	368
Lee	189	204	207	221	209
Alachua	132	134	124	103	99
Duval	135	154	165	195	208
Pinellas	123	136	152	151	145
Monroe	108	114	104	98	96
All Other Florida Counties	1,207	1,422	1,482	1,647	1,663
Outside Florida	4,055	4,274	4,480	4,842	4,832
Total	44,010	47,966	50,394	52,980	54,099

Student Recruitment. The University's Office of Admissions is responsible for recruiting and enrolling a student body consisting of nationally outstanding academic talent. Students are recruited for whom intense study with faculty in seminars and tutorials will have rich personal meaning. The annual national campaign to recruit and enroll the Fall class involves creating and updating publications; communicating with prospective students through direct mail and telecounseling campaigns; traveling to selected secondary schools, college fairs, Florida state colleges, and national and regional professional meetings of college placement counselors and admissions officers; and hosting University open houses for prospective students and their families. Affirmative action efforts include special mailings to minority students, traveling to different locations to participate in various minority programs, and hosting on-campus events for students and counselors.

Student Quality Indicators. The following table shows the average high school grade point averages ("GPA"), average Scholastic Aptitude Test ("SAT") scores and average American College Test ("ACT") scores for first-time-in-college students at the University for the past five fall semesters for which information is available.

Student Quality Indicators
For First-Time-In-College Students[1]

Fall	Average High School GPA	Average SAT Score[2]	Average ACT Score
2010	3.69	1140	25
2011	3.70	1139	25
2012	3.74	1141	25
2013	3.84	1150	26
2014	3.91	1121	25

[1] Includes only regularly admitted students who meet the Florida Board of Education Freshman Admissions Requirement.
[2] Excludes writing score.

A second measure of student quality is the University's number of National Merit Scholars, National Achievement Scholars, and National Hispanic Scholars. The table below shows the number in each category attending the University during the past five Fall Semesters.

National Merit, National Achievement and National Hispanic Scholars

	Fall 2010	Fall 2011	Fall 2012	Fall 2013	Fall 2014
National Merit Scholars	0	0	0	0	1
National Achievement Scholars	4	1	2	3	3
National Hispanic Scholars	10	16	19	14	16

General Academic Information

The University offers approximately 180 degree programs at the bachelor's, master's and doctorate degree levels which are designed to respond to the changing needs of the growing metropolitan areas of South Florida. Degree programs are offered in the College of Architecture and the Arts, College of Arts and Sciences, College of Business Administration, College of Education, College of Engineering & Computing, College of Law, Herbert Wertheim College of Medicine, College of Nursing and Health Sciences, Robert Stempel College of Public Health and Social Work, School of Hospitality and Tourism Management, and School of Journalism and Mass Communication.

The University has granted more than 145,000 baccalaureates, 45,000 masters, 1,900 doctoral and 1,100 professional degrees and expects to continue increasing the number of degrees conferred at all levels. With the University's large share of minority students, it is already a national leader in the conferral of baccalaureate degrees to minority students.

FIU is one of the nation's major research universities, with research and development expenditures of over $132 million during Fiscal Year 2013-14. World's Ahead faculty received over $115 million in research awards from various federal, state and private organizations. Following the University's strategic plan and based on institutional strengths, the research areas of focus include the environment, globalization and health. To this end, FIU researchers have access to state of the art facilities such as the Wall of Wind, Forensic DNA Profiling Facility, Nano-Device Laboratory, Center for Personalized Nano-Medicine, and the upcoming Isotope Ratio Mass Spectrometry facility, among many others. Undergraduate and graduate students at FIU actively participate in all research endeavors. FIU disseminates its discoveries for public benefit through publications, formal technology transfer agreements, public testimony and evidence-based advocacy, and the development of the next generation of scholars.

The following table shows the degrees awarded to the students at the University over the three academic years shown.

Degrees Granted by Discipline

	Baccalaureate Degrees			Master's Degrees			Specialist Degrees			Doctoral Degrees		
Discipline	2011-12	2012-13	2013-14	2011-12	2012-13	2013-14	2011-12	2012-13	2013-14	2011-12	2012-13	2013-14
Arch & Related Serv.	48	17	2	61	88	141	-	-	-	-	-	-
Eth., Cult. & Gen. Studies	44	59	35	19	22	26	-	-	-	-	-	-
Biology & Biomedical	358	422	508	3	8	5	-	-	-	9	12	16
Business,Mgmt., Mrktng	2,691	2,961	2,750	1,321	1,370	1,448	-	-	-	14	8	9
Communication/Journalism	255	271	337	68	42	60	-	-	-	-	-	-
Computer & Info Systems	198	188	199	23	38	48	-	-	-	5	8	11
Education	386	406	357	285	236	255	36	12	33	27	22	18
Engineering	323	352	432	197	210	211	-	-	-	26	42	29
Engineering Technology	69	70	51	69	32	62	-	-	-	-	-	-
English/Literature/Letters	188	182	199	13	16	20	-	-	-	-	-	-
Foreign Lang./Linguistics	29	30	36	22	16	17	-	-	-	5	2	2
Health Profession	389	392	540	432	444	368	-	-	-	55	90	107
History	57	81	82	15	10	32	-	-	-	5	5	5
Law	-	-	-	-	-	-	-	-	-	185	168	157
Liberal/General Studies	220	214	229	3	6	1	-	-	-	-	-	-
Mathematics, Statistics	17	14	14	16	9	9	-	-	-	-	-	-
Natural Resources, Conserv.	41	43	34	9	16	17	-	-	-	-	-	-
Parks, Recreation, Fitness	55	104	89	17	25	30	-	-	-	-	-	-
Philosophy & Religion	71	64	62	10	12	13	-	-	-	-	-	-
Physical Sciences	85	124	119	9	8	6	-	-	-	13	22	31
Psychology	783	846	967	30	36	48	13	7	4	10	8	11
Public Administration	161	202	216	200	215	207	-	-	-	7	7	2
Security & Protective Srvcs	457	504	466	83	85	58	-	-	-	-	-	-
Social Science	713	778	804	16	22	32	-	-	-	20	13	16
Visual & Performing Arts	162	136	169	32	26	19	-	-	-	-	-	-
Multi/Interdisciplinary	-	-	13	-	22	26	-	-	-	-	-	-
Grand Total	**7,798**	**8,460**	**8,710**	**2,953**	**3,014**	**3,159**	**49**	**19**	**37**	**381**	**407**	**414**

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Faculty

The University's Student to Faculty Ratio is 26 to 1. Sixty percent of full-time Instructional Faculty are either tenured or tenure-earning. Of the tenured/tenure-earning full-time instructional faculty, 95 percent have doctoral or terminal degrees in their discipline.

Faculty Data[1]

Fiscal Year	Full-Time Faculty	Part-Time Faculty	Tenured Faculty[2]	Faculty with Terminal Degrees	Student/ Faculty Ratio (FTE)[3]
2010-11	891	679	438	1,155	28 to 1
2011-12	1,012	692	435	1,208	27 to 1
2012-13	1,116	704	447	1,215	25 to 1
2013-14	1,179	732	465	1,271	27 to 1
2014-15	1,208	793	484	1,419	26 to 1

[1] Faculty is salaried regular appointments and does not include adjunct faculty. Includes only faculty classified as instructional, i.e., does not include faculty administrators (deans, chairs, directors, etc.) or library staff.
[2] Tenured faculty includes service professors with tenure.
[3] Student/Faculty Ratio of full-time equivalent students to full-time equivalent faculty. Medicine and law faculty and students are excluded.

Personnel

The University employs more than 5,700 with Instructional Faculty comprising 35 percent of the employee population. Instructional Faculty are supported by 3,739 Non-Instructional Staff, of which 847 are Office and Administrative Support occupations.

Activity	Fall 2014
Instruction/Research/Pub. Svc.	2,001
Archivists, Curators, and Museum Technicians	29
Business and Financial Operations Occupations	266
Community Service, Legal, Arts, and Media Occupations	285
Computer, Engineering, and Science Occupations	499
Healthcare Practitioners and Technical Occupations	35
Librarians/Library Technicians	102
Management Occupations	864
Natural Resources, Construction, and Maintenance Occupations	166
Other Teaching and Instructional Support Occupations	131
Office and Administrative Support Occupations	847
Production, Transportation, and Material Moving Occupations	4
Research	142
Service Occupations	369
Grand Total	**5,740**

Division of Student Affairs

The Division of Student Affairs educates a diverse body of students by supporting their personal and academic growth. It promotes cross-cultural outreach and understanding, provides programs and services to encourage student development, and prepares students to become contributing members of their communities.

The Division is comprised of the following departments and programs: Career Services, Counseling and Psychological Services Center, Disability Resource Center, International Student and Scholar Services, Multicultural Programs and Services, University Housing and Residential Life, Student Centers, Campus Life, University Health Services, Student Conduct and Mediation Services, Victim's Advocacy Center, Center for Leadership and Service, Women's Center, Recreation Services, Student Government Association, Student Media, Pre-Collegiate Programs and Grants, Children's Creative Learning Center, Orientation and Commuter Student Services, and Assessment and Evaluation.

Endowments and Fund Raising Efforts

Fund-raising activities for the University are coordinated by the Division of University Advancement. Private funds raised are channeled through the Florida International University Foundation Inc. (the "Foundation"), a 501(c) (3) direct-support organization established in 1969 and regulated by the Florida Board of Education. The Foundation is responsible for receiving, investing and administering all private gifts and bequests to the University.

Florida International University has embarked on a capital campaign to raise $750 million by the year 2020. In alignment with the University's strategic focus on the arts, environment, globalization and health, the campaign will raise funds for specific philanthropic priorities. The capital campaign will empower FIU to achieve each of the goals outlined in the University's FIU*BeyondPossible2020* strategic plan, enabling FIU to ascend to the next level of excellence in academic, research, and outreach initiatives and create a solid financial base that will shape the institution's 21st century evolution. The table below sets forth financial information relating to the Florida International University Foundation, Inc. as of the dates shown.

Fiscal Year	Assets	Liabilities	Revenues	Expenditures
2009-10	$188,423,106	$11,448,924	$29,727,149	$11,919,069
2010-11	233,714,123	12,558,111	56,716,608	12,450,704
2011-12	248,131,436	11,452,524	33,507,371	16,876,288
2012-13	289,400,752	11,280,643	61,764,849	19,806,388
2013-14	323,199,726	11,589,973	60,668,331	25,149,449

Gifts received by Florida International University are shown by restriction and giving program in the table below for the past five fiscal years.

Gift Report
Current Receipts and Deferred Additions by Restriction and Giving Program for a Twelve-Month Period*

Fiscal Year	Unrestricted Gifts	Restricted Gifts	Endowments	Total Gifts Received
2009-10	$3,385,599	$2,540,101	$10,463,120	$16,388,820
2010-11	4,527,457	8,249,719	12,768,575	25,545,751
2011-12	4,302,042	9,882,947	18,269,654	32,454,643
2012-13	7,353,378	15,445,136	12,476,192	35,274,706
2013-14	4,345,564	8,924,339	5,185,395	18,455,298

* Revenues do not include investment income or MARC Building rental income.

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APPENDIX H

REPORT NO. 2015-123
MARCH 2015

FLORIDA INTERNATIONAL UNIVERSITY

Financial Audit

For the Fiscal Year Ended
June 30, 2014

STATE OF FLORIDA
AUDITOR GENERAL
DAVID W. MARTIN, CPA

Board of Trustees and President

Members of the Board of Trustees and President who served during the 2013-14 fiscal year are listed below:

The Auditor General conducts audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

The audit team leader was Allen Jova, and the audit was supervised by Hector J. Quevedo, CPA. Please address inquiries regarding this report to James R. Stultz, CPA, Audit Manager, by e-mail at jimstultz@aud.state.fl.us or by telephone at (850) 412-2869.

This report and other reports prepared by the Auditor General can be obtained on our Web site at www.myflorida.com/audgen; by telephone at (850) 412-2722; or by mail at G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450.

FLORIDA INTERNATIONAL UNIVERSITY
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EXECUTIVE SUMMARY

Summary of Report on Financial Statements

Our audit disclosed that the University's basic financial statements were presented fairly, in all material respects, in accordance with prescribed financial reporting standards.

Summary of Report on Internal Control and Compliance

Our audit did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* issued by the Comptroller General of the United States.

Audit Objectives and Scope

Our audit objectives were to determine whether Florida International University and its officers with administrative and stewardship responsibilities for University operations had:

- **Presented the University's basic financial statements in accordance with generally accepted accounting principles;**
- **Established and implemented internal control over financial reporting and compliance with requirements that could have a direct and material effect on the financial statements; and**
- **Complied with the various provisions of laws, rules, regulations, contracts, and grant agreements that are material to the financial statements.**

The scope of this audit included an examination of the University's basic financial statements as of and for the fiscal year ended June 30, 2014. We obtained an understanding of the University's environment, including its internal control, and assessed the risk of material misstatement necessary to plan the audit of the basic financial statements. We also examined various transactions to determine whether they were executed, in both manner and substance, in accordance with governing provisions of laws, rules, regulations, contracts, and grant agreements.

An examination of Federal awards administered by the University is included within the scope of our Statewide audit of Federal awards administered by the State of Florida.

Audit Methodology

The methodology used to develop the findings in this report included the examination of pertinent University records in connection with the application of procedures required by auditing standards generally accepted in the United States of America and applicable standards contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

DAVID W. MARTIN, CPA
AUDITOR GENERAL

AUDITOR GENERAL

STATE OF FLORIDA

G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

PHONE: 850-412-2722
FAX: 850-488-6975

The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Florida International University, a component unit of the State of Florida, and its aggregate discretely presented component units as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the aggregate discretely presented component units, which represent 100 percent of the transactions and account balances of the aggregate discretely presented component units' columns. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of Florida International University and of its aggregate discretely presented component units as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that **MANAGEMENT'S DISCUSSION AND ANALYSIS** and **SCHEDULE OF FUNDING PROGRESS – OTHER POSTEMPLOYMENT BENEFITS PLAN**, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report on our consideration of Florida International University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Florida International University's internal control over financial reporting and compliance.

Respectfully submitted,

David W. Martin, CPA
Tallahassee, Florida
March 4, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management's discussion and analysis (MD&A) provides an overview of the financial position and activities of the University for the fiscal year ended June 30, 2014, and should be read in conjunction with the financial statements and notes thereto. The MD&A, and financial statements and notes thereto, are the responsibility of University management. The MD&A contains financial activity of the University for the fiscal years ended June 30, 2014, and June 30, 2013.

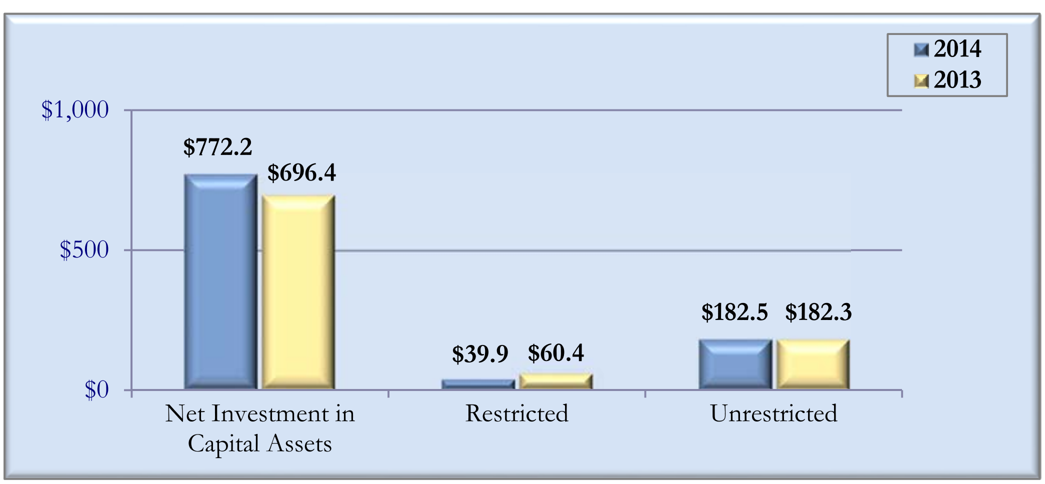
FINANCIAL HIGHLIGHTS

The University's assets totaled $1.3 billion at June 30, 2014. This balance reflects a $71.9 million, or 5.7 percent, increase as compared to the 2012-13 fiscal year. Contributing to the increase during the 2013-14 fiscal year was the $69.9 million increase in capital assets, net of depreciation, primarily due to increases in construction in progress, buildings, and furniture and equipment, offset by current year depreciation. Liabilities increased by $16.4 million, or 5.1 percent, totaling $335.4 million at June 30, 2014, as compared to $319 million at June 30, 2013. Contributing to this increase was an increase in capital improvement debt payable of $23.8 million for the new parking bonds issued during the year. Additionally, there were increases of $11.1 million in projected costs for postemployment benefits based on the actuarial study provided by the State and of $3.5 million in compensated absence liability to employees mainly resulting from increased salaries. These increases were offset by a decrease in unearned revenue of $21.2 million primarily due to recognition of revenue from State capital appropriations during the fiscal year. As a result, the University's net position increased by $55.5 million, resulting in a year-end balance of $994.6 million.

The University's operating revenues totaled $490.4 million for the 2013-14 fiscal year, representing a $27.9 million, or 6 percent increase over the 2012-13 fiscal year. Major components of operating revenues are student tuition and fees, auxiliary enterprise revenues, and grants and contracts. Net tuition and fees revenue increased $23.9 million. Grants and contract revenue increased $8.2 million. Operating expenses totaled $848.1 million for the 2013-14 fiscal year, representing an increase of $75.1 million, or 9.7 percent, over the 2012-13 fiscal year due mainly to increases in compensation and employee benefits of $54.6 million and services and supplies expenses of $12.7 million.

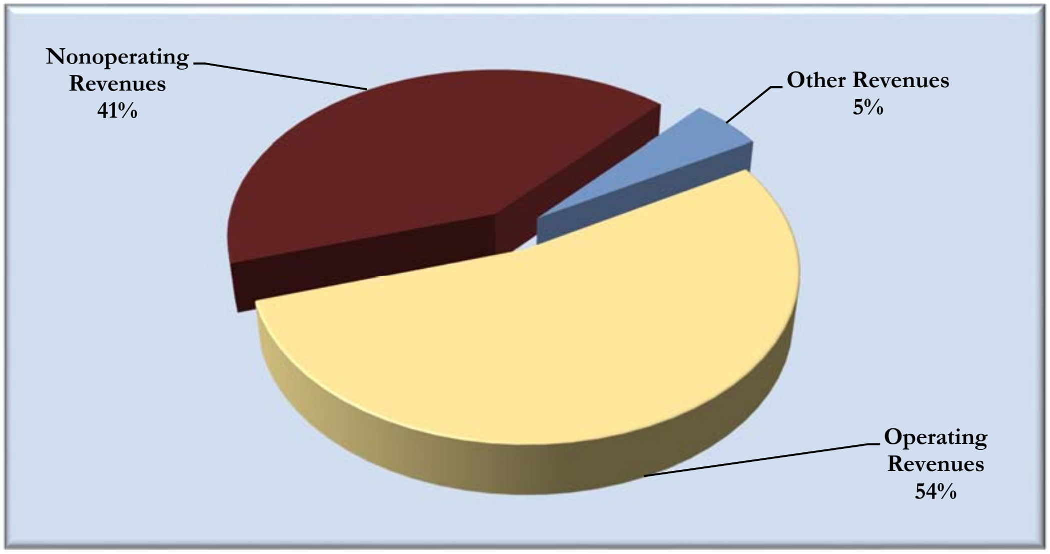
Net position represents the residual interest in the University's assets after deducting liabilities. The University's comparative total net position by category for the fiscal years ended June 30, 2014, and June 30, 2013, is shown in the following graph:

Net Position
(In Millions)



The following chart provides a graphical presentation of University revenues by category for the 2013-14 fiscal year:

Total Revenues



OVERVIEW OF FINANCIAL STATEMENTS

Pursuant to GASB Statement No. 35, the University's financial report includes three basic financial statements: the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows. The financial statements, and notes thereto, encompass the University and the following discretely presented component units:

- Florida International University Foundation, Inc. (Foundation).
- FIU Athletics Finance Corporation (Finance Corporation).
- Florida International University Academic Health Center Health Care Network Faculty Group Practice, Inc. (Health Care Network).

Based upon the application of the criteria for determining component units, the Foundation, Finance Corporation, and Health Care Network are included within the University reporting entity as discretely presented component units. Information regarding the discretely presented component units, including summaries of their separately issued financial statements, is presented in the notes to financial statements. This MD&A focuses on the University, excluding the discretely presented component units. For those discretely presented component units reporting under GASB standards, MD&A information is included in their separately issued audit reports.

THE STATEMENT OF NET POSITION

The statement of net position reflects the assets and liabilities of the University, using the accrual basis of accounting, and presents the financial position of the University at a specified time. Assets, less liabilities, equal net position, which is one indicator of the University's current financial condition. The changes in net position that occur over time indicate improvement or deterioration in the University's financial condition.

The following summarizes the University's assets, liabilities, and net position at June 30:

Condensed Statement of Net Position at June 30
(In Millions)

	2014	2013
Assets		
Current Assets	$ 366.4	$ 365.4
Capital Assets, Net	922.8	852.9
Other Noncurrent Assets	40.8	39.8
Total Assets	1,330.0	1,258.1
Liabilities		
Current Liabilities	60.0	75.8
Noncurrent Liabilities	275.4	243.2
Total Liabilities	335.4	319.0
Net Position		
Net Investment in Capital Assets	772.2	696.4
Restricted	39.9	60.4
Unrestricted	182.5	182.3
Total Net Position	$ 994.6	$ 939.1

THE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The statement of revenues, expenses, and changes in net position presents the University's revenue and expense activity, categorized as operating and nonoperating. Revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid.

The following summarizes the University's activity for the 2013-14 and 2012-13 fiscal years:

Condensed Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Years
(In Millions)

	2013-14	2012-13
Operating Revenues	$ 490.4	$ 462.5
Less, Operating Expenses	848.1	773.0
Operating Loss	(357.7)	(310.5)
Net Nonoperating Revenues	368.5	298.4
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	10.8	(12.1)
Other Revenues, Expenses, Gains, or Losses	44.7	63.5
Net Increase In Net Position	55.5	51.4
Net Position, Beginning of Year	939.1	887.7
Net Position, End of Year	$ 994.6	$ 939.1

Operating Revenues

GASB Statement No. 35 categorizes revenues as either operating or nonoperating. Operating revenues generally result from exchange transactions where each of the parties to the transaction either give up or receive something of equal or similar value.

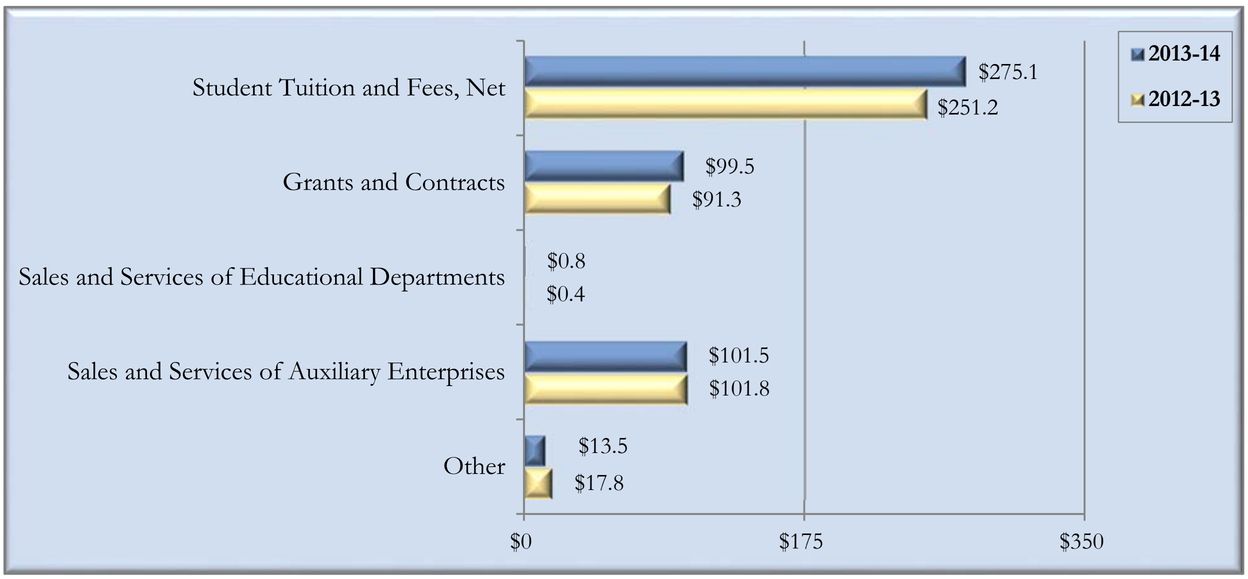
The following summarizes the operating revenues by source that were used to fund operating activities for the 2013-14 and 2012-13 fiscal years:

Operating Revenues
(In Millions)

	2013-14	2012-13
Student Tuition and Fees, Net	$ 275.1	$ 251.2
Grants and Contracts	99.5	91.3
Sales and Services of Educational Departments	0.8	0.4
Sales and Services of Auxiliary Enterprises	101.5	101.8
Other	13.5	17.8
Total Operating Revenues	$ 490.4	$ 462.5

The following chart presents the University's operating revenues for the 2013-14 and 2012-13 fiscal years:

Operating Revenues
(In Millions)



University operating revenue changes were the result of the following factors:

- Net student tuition and fees revenue increased $23.9 million, or 9.5 percent. This increase was primarily due to an increase in tuition rates, 1.7 percent for undergraduate and 5 percent for graduate programs, along with an increase in student enrollment of 4.4 percent. Additionally, revenues from various market rate programs, such as nursing and online masters business programs contributed $6 million to the overall increase in tuition and fees revenue.
- Grants and contracts revenue increased $8.2 million, or 9 percent. This increase was due in part to increased revenue earned from Federal grants of $6.6 million for research projects in areas such as global water access and sanitation, expansion of worldwide network connections, and retinal functional imaging. Additionally, there was an increase of $1.6 million in revenue from State and local grants.
- Other operating revenue decreased $4.3 million, or 24.2 percent. This decrease was due in part to a reduction in revenue generated from College of Medicine (COM) affiliation agreements with local healthcare providers.

Operating Expenses

Expenses are categorized as operating or nonoperating. The majority of the University's expenses are operating expenses as defined by GASB Statement No. 35. GASB gives financial reporting entities the choice of reporting operating expenses in the functional or natural classifications. The University has chosen to report the expenses in their natural classification on the statement of revenues, expenses, and changes in net position and has displayed the functional classification in the notes to financial statements.

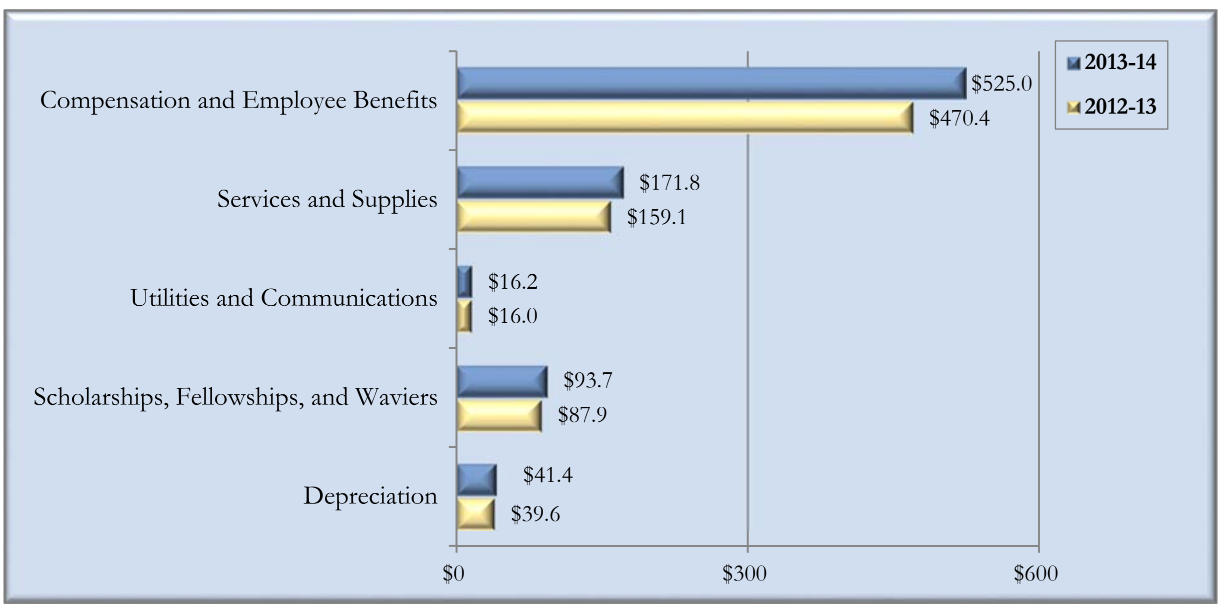
The following summarizes the operating expenses by natural classifications for the 2013-14 and 2012-13 fiscal years:

Operating Expenses
For the Fiscal Years
(In Millions)

	2013-14	2012-13
Compensation and Employee Benefits	$ 525.0	$ 470.4
Services and Supplies	171.8	159.1
Utilities and Communications	16.2	16.0
Scholarships, Fellowships, and Waivers	93.7	87.9
Depreciation	41.4	39.6
Total Operating Expenses	$ 848.1	$ 773.0

The following chart presents the University's operating expenses for the 2013-14 and 2012-13 fiscal years:

Operating Expenses
(In Millions)



Changes in operating expenses were primarily the result of the following factors:

- Compensation and employee benefits expenses increased $54.6 million, or 11.6 percent. This increase was primarily due to an increase in the number of employees combined with a 1 percent across the board salary increase and an additional State authorized increase in salary for eligible employees. Additionally, there were increases in healthcare insurance matching costs borne by the University, as well as employer retirement contributions due to increased Florida Retirement System contribution rates.

- Services and supplies expenses increased $12.7 million, or 8 percent. The increase was primarily related to increases in materials and supplies of $2 million for increased purchases of library books, higher costs of $2.7 million in repairs and maintenance mainly for software licenses and maintenance of new equipment, and increased contractual services expenses of approximately $6 million associated with research projects and advertising and marketing initiatives for promotion of market rate graduate online programs.

Nonoperating Revenues and Expenses

Certain revenue sources that the University relies on to provide funding for operations, including State noncapital appropriations, Federal and State student financial aid, and investment income, are defined by GASB as nonoperating. Nonoperating expenses include capital financing costs and other costs related to capital assets. The following summarizes the University's nonoperating revenues and expenses for the 2013-14 and 2012-13 fiscal years:

Nonoperating Revenues (Expenses)
(In Millions)

	2013-14	2012-13
State Noncapital Appropriations	$ 225.9	$ 173.8
Federal and State Student Financial Aid	110.8	107.9
Investment Income	23.6	13.3
Other Nonoperating Revenues	19.6	10.5
Gain (Loss) on Disposal of Capital Assets	(0.2)	0.2
Interest on Capital Asset-Related Debt	(7.8)	(7.1)
Other Nonoperating Expenses	(3.4)	(0.2)
Net Nonoperating Revenues	**$ 368.5**	**$ 298.4**

Net nonoperating revenues increased by $70.1 million, or 23.5 percent, from the prior fiscal year due mainly to the following factors:

- State noncapital appropriations increased $52.1 million, or 30 percent, due to the restoration of prior year non-recurring reduction of revenues from the State's funding shortfall, additional State noncapital appropriations received for health and retirement benefits and legislated salary increases, and new performance funding revenue awarded.
- Federal and State student financial aid increased $2.9 million, or 2.7 percent, due to an increase of student financial aid awarded.
- Investment income increased $10.3 million, or 77.4 percent, due to gains on investments reported as investment income.
- Other nonoperating revenues increased by $9.1 million, or 86.7 percent, primarily due to a new TEAM grant awarded this year and increased contributions from component units in support of University activities.
- Other nonoperating expenses increased $3.2 million primarily due to the write-off of deferred bond costs for existing and new bond issues.

Other Revenues, Expenses, Gains, or Losses

This category is composed of State capital appropriations and capital grants, contracts, donations, and fees. The following summarizes the University's other revenues, expenses, gains, or losses for the 2013-14 and 2012-13 fiscal years:

Other Revenues, Expenses, Gains, or Losses
(In Millions)

	2013-14	2012-13
State Capital Appropriations	$ 39.3	$ 59.4
Capital Grants, Contracts, Donations, and Fees	5.4	4.1
Total	$ 44.7	$ 63.5

Other revenues decreased by $18.8 million, or 29.6 percent, as compared to the 2012-13 fiscal year due to a $20.1 million reduction in State capital appropriations for new construction projects. This decrease was partially offset by a $1.3 million increase in capital grants and donations.

THE STATEMENT OF CASH FLOWS

The statement of cash flows provides information about the University's financial results by reporting the major sources and uses of cash and cash equivalents. This statement will assist in evaluating the University's ability to generate net cash flows, its ability to meet its financial obligations as they come due, and its need for external financing. Cash flows from operating activities show the net cash used by the operating activities of the University. Cash flows from capital financing activities include all plant funds and related long-term debt activities. Cash flows from investing activities show the net source and use of cash related to purchasing or selling investments, and earning income on those investments. Cash flows from noncapital financing activities include those activities not covered in other sections.

The following summarizes cash flows for the 2013-14 and 2012-13 fiscal years:

Condensed Statement of Cash Flows
(In Millions)

	2013-14	2012-13
Cash Provided (Used) by:		
Operating Activities	$ (292.9)	$ (249.9)
Noncapital Financing Activities	358.1	276.2
Capital and Related Financing Activities	(67.8)	(82.7)
Investing Activities	6.4	65.1
Net Increase in Cash and Cash Equivalents	3.8	8.7
Cash and Cash Equivalents, Beginning of Year	11.9	3.2
Cash and Cash Equivalents, End of Year	$ 15.7	$ 11.9

Major sources of cash inflows came from State noncapital appropriations ($225.9 million), Federal Direct Student Loan program receipts ($273.9 million), net student tuition and fees ($273.3 million), grants and contracts ($101.3 million), sales and services of auxiliary enterprises ($100.5 million), proceeds from sales and maturities of investments ($789.7 million), proceeds from the issuance of capital debt ($48.8 million), State capital appropriations ($29.3 million), and Federal and State student financial aid ($110.2 million). Major uses of cash were for payments made to and on behalf of employees totaling ($508.8 million), payments to suppliers ($183.8 million), disbursements to students for Federal Direct Student Loan program ($275.3 million), purchases or construction of capital assets ($115.7 million), purchases of investments ($792 million), and payments to and on behalf of students for scholarships and fellowships ($93.7 million).

CAPITAL ASSETS, CAPITAL EXPENSES AND COMMITMENTS, AND DEBT ADMINISTRATION

CAPITAL ASSETS

At June 30, 2014, the University had $1.4 billion in capital assets, less accumulated depreciation of $437.7 million, for net capital assets of $922.8 million. Depreciation charges for the current fiscal year totaled $41.4 million. The following table summarizes the University's capital assets, net of accumulated depreciation, at June 30:

Capital Assets, Net at June 30
(In Millions)

	2014	2013
Land	$ 28.7	$ 28.4
Construction in Progress	172.5	146.2
Buildings	636.6	591.7
Infrastructure and Other Improvements	4.1	4.5
Furniture and Equipment	35.9	34.2
Library Resources	38.3	42.6
Property Under Capital Leases and Leasehold Improvements	1.6	0.6
Works of Art and Historical Treasures	4.2	4.0
Computer Software	0.9	0.7
Capital Assets, Net	$ 922.8	$ 852.9

Additional information about the University's capital assets is presented in the notes to financial statements.

CAPITAL EXPENSES AND COMMITMENTS

Major capital expenses through June 30, 2014, were incurred on the following projects: $25.4 million for the Robert Stempel College of Public Health and Social Science Building, $25.2 million for the Mixed-Use Auxiliary Building, and $20.6 million for Parking Garage Six projects. The University's construction commitments at June 30, 2014, are as follows:

	Amount (In Millions)
Total Committed	$ 274.9
Completed to Date	(172.5)
Balance Committed	$ 102.4

Additional information about the University's construction commitments is presented in the notes to financial statements.

DEBT ADMINISTRATION

As of June 30, 2014, the University had $183.5 million in outstanding capital improvement debt payable and capital lease payable representing an increase of $24.8 million, or 15.6 percent, over the prior fiscal year as a result of debt principal payments totaling $25.9 million, offset by an increase of $50.7 million for new capital improvement debt

($49.7 million) and a new capital lease payable ($1million). The following table summarizes the outstanding long-term debt by type for the fiscal years ended June 30, 2014, and June 30, 2013:

Long-Term Debt, at June 30
(In Millions)

	2014	2013
Capital Improvement Debt	$ 182.5	$ 158.7
Capital Leases	1.0	
Total	$ 183.5	$ 158.7

Additional information about the University's long-term debt is presented in the notes to financial statements.

ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

Florida continues to regain its stable economic base as the factors which impeded economic growth slowly recede. This was evidenced by a 3.5 percent growth in the State's general revenues in the 2013-14 fiscal year over the prior fiscal year and made possible an allocation of $100 million in new funds by the Legislature for Performance Based Funding for the State University System (SUS). Under the new Board of Governors (BOG) performance based funding model, each institution is evaluated annually on the basis of 10 metrics which are aligned with SUS Strategic Plan goals and recognize the unique mission of each institution. Institutions are scored on the basis of excellence or improvement; the institutions with higher scores are rewarded with an allocation of new performance funds and restoration of base funds while the lower scoring institutions do not participate in new funds and base funds are withheld unless they can show improvement according to an approved plan. Florida International University (FIU) received the third highest score of 34 and received $25.3 million of the $200 million ($100 million new and $100 million redistribution of base funds) allocated for performance based funding in the 2014-15 fiscal year by the Legislature, representing a net increase of $18 million after redistribution of prior performance funding included in the base funds. The amount of performance based funding allocated each year to each institution will be determined by the amount of funds allocated by the Legislature and the relative performance of each institution. These new metric measures and methodology of allocating new funds have resulted in a strengthened alignment of FIU goals with the SUS Strategic Plan.

Other key legislative actions include the removal of statutory language that provided for an increase of undergraduate base tuition by the consumer price index in the absence of any legislated increase. Additionally, undergraduate tuition differential rates may now only be increased by the Legislature. With the absence of legislated undergraduate base and differential tuition increases, undergraduate tuition rates at FIU were unchanged for the 2014-15 academic year.

The FIU Herbert Wertheim College of Medicine (HWCOM) gained full accreditation from the Liaison Committee on Medical Education (LCME) in February 2013, an important accomplishment which gives the college even more presence in South Florida and within the SUS. There were over 4,000 applicants to the Program for this school year which sets a very competitive environment, and gives FIU a great opportunity to select some of the very best students. There are only 120 students accepted each year and HWCOM is at full capacity at this time. The HWCOM General Revenue State appropriations for the 2014-15 fiscal year increased by $0.4 million to reach $30.9 million; of which, $0.2 million was the final allocation under the medical school implementation plan, $0.8 million were Legislative Budget Requests (LBRs) for specific projects and programs, and $0.3 million were for health and retirement benefits.

FIU is expanding physically and academically to better serve the needs of the local community and the State as a whole. As FIU celebrates its 50th anniversary in 2015, it is poised to be a significant contributor to educational progress and economic development in South Florida and the State of Florida.

REQUESTS FOR INFORMATION

Questions concerning information provided in the MD&A or other required supplementary information, the financial statements and notes thereto, or requests for additional financial information should be addressed to the Chief Financial Officer and Senior Vice President for Finance and Administration, Dr. Kenneth Jessell, at Florida International University, 11200 Southwest 8th Street, Miami, Florida 33199.

BASIC FINANCIAL STATEMENTS

FLORIDA INTERNATIONAL UNIVERSITY
A COMPONENT UNIT OF THE STATE OF FLORIDA
STATEMENT OF NET POSITION
June 30, 2014

	University	Component Units
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 15,293,310	$ 6,921,145
Investments	277,389,593	234,033,785
Accounts Receivable, Net	25,919,365	66,413,599
Loans and Notes Receivable, Net	838,586	
Due from State	44,653,288	
Due from Component Units/University	1,941,867	511,513
Inventories	355,615	
Other Current Assets	43,939	3,568,062
Total Current Assets	366,435,563	311,448,104
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	417,189	1,518,191
Restricted Investments	31,035,796	2,648,876
Loans and Notes Receivable, Net	2,357,051	
Depreciable Capital Assets, Net	717,504,324	17,131,623
Nondepreciable Capital Assets	205,330,468	656,719
Due from Component Units/University	6,912,211	
Other Noncurrent Assets		23,862,473
Total Noncurrent Assets	963,557,039	45,817,882
Total Assets	1,329,992,602	357,265,986
DEFERRED OUTFLOWS OF RESOURCES		
Accumulated Decrease in Fair Value of Hedging Derivatives		2,242,930
Deferred Amount on Debt Refundings		312,381
Total Deferred Outflows of Resources		2,555,311
LIABILITIES		
Current Liabilities:		
Accounts Payable	17,967,849	1,194,613
Construction Contracts Payable	14,642,648	
Salaries and Wages Payable	6,498,759	
Deposits Payable	1,691,495	
Due to State	219,057	
Due to Component Units/University	293,513	1,867,899
Unearned Revenue	6,365,376	2,144,898
Other Current Liabilities	446,515	203,254
Long-Term Liabilities - Current Portion:		
Bonds Payable		676,567
Capital Improvement Debt Payable	8,830,085	
Notes Payable		755,000
Capital Lease Payable	181,770	
Compensated Absences Payable	2,806,276	
Liability for Self-Insured Claims	40,713	
Total Current Liabilities	59,984,056	6,842,231

FLORIDA INTERNATIONAL UNIVERSITY
A COMPONENT UNIT OF THE STATE OF FLORIDA
STATEMENT OF NET POSITION (CONTINUED)
June 30, 2014

	University	Component Units
LIABILITIES (Continued)		
Noncurrent Liabilities:		
Bonds	$	$ 31,415,877
Capital Improvement Debt Payable	173,650,168	
Notes Payable		6,165,000
Capital Lease Payable	855,230	
Compensated Absences Payable	34,882,094	
Due to Component Units/University		7,024,577
Other Postemployment Benefits Payable	37,348,000	
Unearned Revenue	26,392,393	400,000
Liability for Self-Insured Claims	39,117	
Other Long-Term Liabilities	2,228,562	4,998,971
Total Noncurrent Liabilities	275,395,564	50,004,425
Total Liabilities	335,379,620	56,846,656
NET POSITION		
Net Investment in Capital Assets	772,170,918	8,522,189
Restricted for Nonexpendable:		
Endowment		199,384,169
Restricted for Expendable:		
Debt Service	2,867,056	
Loans	546,516	
Capital Projects	3,617,203	
Other	32,900,099	75,751,823
Unrestricted	182,511,190	19,316,460
TOTAL NET POSITION	$ 994,612,982	$ 302,974,641

The accompanying notes to financial statements are an integral part of this statement.

FLORIDA INTERNATIONAL UNIVERSITY
A COMPONENT UNIT OF THE STATE OF FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Fiscal Year Ended June 30, 2014

	University	Component Units
REVENUES		
Operating Revenues:		
Student Tuition and Fees, Net of Scholarship Allowances of $108,504,693 ($10,103,245 Pledged for Parking Facility Capital Improvement Debt)	$ 275,079,438	$
Federal Grants and Contracts	80,338,840	
State and Local Grants and Contracts	7,172,334	
Nongovernmental Grants and Contracts	12,030,211	
Sales and Services of Educational Departments	795,130	
Sales and Services of Auxiliary Enterprises ($30,458,678 Pledged for Housing Facility Capital Improvement Debt and $5,433,093 Pledged for Parking Facility Capital Improvement Debt)	101,503,247	
Sales and Services of Component Units		5,774,257
Gifts and Donations		18,682,543
Interest on Loans and Notes Receivable	7,966	
Other Operating Revenues	13,530,271	6,816,812
Total Operating Revenues	490,457,437	31,273,612
EXPENSES		
Operating Expenses:		
Compensation and Employee Benefits	525,054,519	
Services and Supplies	171,763,583	24,456,754
Utilities and Communications	16,214,646	170,576
Scholarships, Fellowships, and Waivers	93,660,910	
Depreciation	41,449,494	721,785
Other Operating Expenses		11,424,573
Total Operating Expenses	848,143,152	36,773,688
Operating Loss	(357,685,715)	(5,500,076)
NONOPERATING REVENUES (EXPENSES)		
State Noncapital Appropriations	225,862,112	
Federal and State Student Financial Aid	110,808,582	
Investment Income	23,567,642	37,473,495
Other Nonoperating Revenues	19,630,063	
Loss on Disposal of Capital Assets	(187,111)	
Interest on Capital Asset-Related Debt	(7,803,740)	(1,679,335)
Other Nonoperating Expenses	(3,416,798)	
Net Nonoperating Revenues	368,460,750	35,794,160
Income Before Other Revenues, Expenses, Gains, or Losses	10,775,035	30,294,084
State Capital Appropriations	39,287,370	
Capital Grants, Contracts, Donations, and Fees	5,456,401	
Other Revenues		1,380,001
Increase in Net Position	55,518,806	31,674,085
Net Position, Beginning of Year	939,094,176	271,527,291
Adjustment to Beginning Net Position		(226,735)
Net Position, Beginning of Year, as Restated	939,094,176	271,300,556
Net Position, End of Year	$ 994,612,982	$ 302,974,641

The accompanying notes to financial statements are an integral part of this statement.

FLORIDA INTERNATIONAL UNIVERSITY
A COMPONENT UNIT OF THE STATE OF FLORIDA
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2014

	University
CASH FLOWS FROM OPERATING ACTIVITIES	
Student Tuition and Fees, Net	$ 273,296,609
Grants and Contracts	101,283,097
Sales and Services of Educational Departments	795,130
Sales and Services of Auxiliary Enterprises	100,530,803
Interest on Loans and Notes Receivable	4,882
Payments to Employees	(508,813,605)
Payments to Suppliers for Goods and Services	(183,830,770)
Payments to Students for Scholarships and Fellowships	(93,660,910)
Loans Issued to Students	(5,906,510)
Collection on Loans to Students	5,793,329
Other Operating Receipts	17,602,508
Net Cash Used by Operating Activities	(292,905,437)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Noncapital Appropriations	225,862,112
Federal and State Student Financial Aid	110,158,418
Federal Direct Loan Program Receipts	273,918,138
Federal Direct Loan Program Disbursements	(275,276,459)
Operating Subsidies and Transfers	3,596
Net Change in Funds Held for Others	5,569,000
Other Nonoperating Receipts	18,312,928
Other Nonoperating Disbursements	(358,332)
Net Cash Provided by Noncapital Financing Activities	358,189,401
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from Capital Debt	48,758,380
State Capital Appropriations	29,300,080
Capital Grants, Contracts, Donations, and Fees	5,065,475
Other Disbursements for Capital Projects	(1,045,590)
Capital Subsidies and Transfers	(307,486)
Purchase or Construction of Capital Assets	(115,735,974)
Principal Paid on Capital Debt and Leases	(25,500,000)
Interest Paid on Capital Debt and Leases	(8,341,281)
Net Cash Used by Capital and Related Financing Activities	(67,806,396)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales and Maturities of Investments	789,679,379
Purchase of Investments	(792,030,932)
Investment Income	8,702,523
Net Cash Provided by Investing Activities	6,350,970
Net Increase in Cash and Cash Equivalents	3,828,538
Cash and Cash Equivalents, Beginning of Year	11,881,961
Cash and Cash Equivalents, End of Year	$ 15,710,499

FLORIDA INTERNATIONAL UNIVERSITY
A COMPONENT UNIT OF THE STATE OF FLORIDA
STATEMENT OF CASH FLOWS (CONTINUED)
For the Fiscal Year Ended June 30, 2014

		University
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Loss	$	(357,685,715)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation Expense		41,449,494
Change in Assets and Liabilities:		
Receivables, Net		3,546,024
Inventories		(105,517)
Other Assets		1,132,562
Accounts Payable		3,054,045
Salaries and Wages Payable		1,575,056
Deposits Payable		(991,491)
Compensated Absences Payable		3,514,858
Unearned Revenue		450,147
Liability for Self-Insured Claims		4,100
Other Postemployment Benefits Payable		11,151,000
NET CASH USED BY OPERATING ACTIVITIES	$	(292,905,437)
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND CAPITAL AND RELATED FINANCING ACTIVITIES		
Unrealized gains on investments were recognized as an increase to investment income on the statement of revenues, expenses, and changes in net position, but are not cash transactions for the statement of cash flows.	$	14,794,604
Losses from the disposal of capital assets were recognized on the statement of revenues, expenses, and changes in net position, but are not cash transactions for the statement of cash flows.	$	(187,111)
Acquisition of land and building under a capital lease agreement were recognized on the statement of net position, but are not cash transactions for the statement of cash flows.	$	1,037,000

The accompanying notes to financial statements are an integral part of this statement.

FLORIDA INTERNATIONAL UNIVERSITY
A COMPONENT UNIT OF THE STATE OF FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity. The University is a separate public instrumentality that is part of the State university system of public universities, which is under the general direction and control of the Florida Board of Governors. The University is directly governed by a Board of Trustees (Trustees) consisting of thirteen members. The Governor appoints six citizen members and the Board of Governors appoints five citizen members. These members are confirmed by the Florida Senate and serve staggered terms of five years. The chair of the faculty senate and the president of the student body of the University are also members. The Board of Governors establishes the powers and duties of the Trustees. The Trustees are responsible for setting policies for the University, which provide governance in accordance with State law and Board of Governors' Regulations. The Trustees select the University President. The University President serves as the executive officer and the corporate secretary of the Trustees, and is responsible for administering the policies prescribed by the Trustees.

Criteria for defining the reporting entity are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. These criteria were used to evaluate potential component units for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the primary government's financial statements to be misleading. Based on the application of these criteria, the University is a component unit of the State of Florida, and its financial balances and activities are reported in the State's Comprehensive Annual Financial Report by discrete presentation.

Discretely Presented Component Units. Based on the application of the criteria for determining component units, the following direct-support organizations (as provided for in Section 1004.28, Florida Statutes, and Board of Governors Regulation 9.011) are included within the University reporting entity as discretely presented component units. These legally separate, not-for-profit, corporations are organized and operated to assist the University to achieve excellence by providing supplemental resources from private gifts and bequests, and valuable education support services and are governed by separate boards. The Statute authorizes these organizations to receive, hold, invest, and administer property and to make expenditures to or for the benefit of the University. These organizations and their purposes are explained as follows:

- Florida International University Foundation, Inc. (Foundation), – The purpose of the Foundation is to encourage, solicit, receive, and administer gifts and bequests of property and funds for the advancement of the University and its objectives.
- Florida International University Research Foundation, Inc. (Research Foundation), – The purpose of the Research Foundation includes the promotion and encouragement of, and assistance to, the research and training activities of faculty, staff, and students of the University through income from contracts, grants, and other sources, including, but not limited to, income derived from or related to the development and commercialization of University work products.
- FIU Athletics Finance Corporation (Finance Corporation), – The purpose of the Finance Corporation includes the support to the University in matters pertaining to the financing of the University's football stadium and, subsequently, the management and operation of the facility.

FLORIDA INTERNATIONAL UNIVERSITY
A COMPONENT UNIT OF THE STATE OF FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

- The Florida International University Academic Health Center Health Care Network Faculty Group Practice, Inc. (Health Care Network), – The purpose of the Health Care Network is to improve and support health education at the University.

Financial activities of the Research Foundation are not included in the University's financial statements. The total assets and operating revenues related to the Research Foundation are $306,955 and $0, respectively. These amounts represent one percent or less of the total aggregate component unit assets and operating revenues. The resulting changes in net position are presented in note 2.

An annual audit of each organization's financial statements is conducted by independent certified public accountants. The annual report is submitted to the Auditor General and the University Board of Trustees. Additional information on the University's component units, including copies of audit reports, is available by contacting the University Controller. Condensed financial statements for the University's discretely presented component units are shown in a subsequent note.

Basis of Presentation. The University's accounting policies conform with accounting principles generally accepted in the United States of America applicable to public colleges and universities as prescribed by GASB. The National Association of College and University Business Officers (NACUBO) also provides the University with recommendations prescribed in accordance with generally accepted accounting principles promulgated by GASB and the Financial Accounting Standards Board (FASB). GASB allows public universities various reporting options. The University has elected to report as an entity engaged in only business-type activities. This election requires the adoption of the accrual basis of accounting and entitywide reporting including the following components:

- Management's Discussion and Analysis
- Basic Financial Statements:
  - Statement of Net Position
  - Statement of Revenues, Expenses, and Changes in Net Position
  - Statement of Cash Flows
  - Notes to Financial Statements
- Other Required Supplementary Information

Basis of Accounting. Basis of accounting refers to when revenues, expenses, and related assets, deferred outflows of resources, and liabilities are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the measurement focus applied. The University's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, and liabilities resulting from nonexchange activities are generally recognized when all applicable eligibility requirements, including time requirements, are met. The University follows GASB standards of accounting and financial reporting.

FLORIDA INTERNATIONAL UNIVERSITY
A COMPONENT UNIT OF THE STATE OF FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

The University's discretely presented component units use the economic resources measurement focus and accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred, and follow GASB standards of accounting and financial reporting except for the Foundation, which follows FASB standards of accounting and financial reporting for not-for-profit organizations.

Significant interdepartmental sales between auxiliary service departments and other institutional departments have been accounted for as reductions of expenses and not revenues of those departments.

The University's principal operating activities consist of instruction, research, and public service. Operating revenues and expenses generally include all fiscal transactions directly related to these activities as well as administration, operation and maintenance of capital assets, and depreciation on capital assets. Nonoperating revenues include State noncapital appropriations, Federal and State student financial aid, and investment income (net of unrealized gains or losses on investments). Interest on capital asset-related debt is a nonoperating expense.

The statement of net position is presented in a classified format to distinguish between current and noncurrent assets and liabilities. When both restricted and unrestricted resources are available to fund certain programs, it is the University's policy to first apply the restricted resources to such programs, followed by the use of the unrestricted resources.

The statement of revenues, expenses, and changes in net position is presented by major sources and is reported net of tuition scholarship allowances. Tuition scholarship allowances are the difference between the stated charge for goods and services provided by the University and the amount that is actually paid by a student or a third party making payment on behalf of the student. The University applied "The Alternate Method" as prescribed in NACUBO Advisory Report 2000-05 to determine the reported net tuition scholarship allowances. Under this method, the University computes these amounts by allocating the cash payments to students, excluding payments for services, on a ratio of total aid to the aid not considered third-party aid.

The statement of cash flows is presented using the direct method in compliance with GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*.

Cash and Cash Equivalents. Cash and cash equivalents consist of cash on hand and cash in demand accounts. University cash deposits are held in banks qualified as public depositories under Florida law. All such deposits are insured by Federal depository insurance, up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool required by Chapter 280, Florida Statutes. Cash and cash equivalents that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other restricted assets, are classified as restricted.

Concentration of Credit Risk – Component Units

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash and cash equivalents in banks, investments, and promises to give.

**FLORIDA INTERNATIONAL UNIVERSITY
A COMPONENT UNIT OF THE STATE OF FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014**

In addition to insurance provided by the Federal Depository Insurance Corporation (FDIC), the Foundation, the Finance Corporation and the Health Care Network deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, Florida Security for Public Deposits Act, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or another banking institution, eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are insured or collateralized with securities held by the entity or its agent in the entity's name.

Financial instruments that potentially subject the Finance Corporation to concentration of credit risk consist principally of cash in banks and investments.

Capital Assets. University capital assets consist of land; works of art and historical treasures; construction in progress; buildings, infrastructure and other improvements; furniture and equipment; library resources; property under capital leases and leasehold improvements; and computer software. These assets are capitalized and recorded at cost at the date of acquisition or at estimated fair value at the date received in the case of gifts and purchases of State surplus property. Additions, improvements, and other outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The University has a capitalization threshold of $250 for library resources, $5,000 for tangible personal property, and $250,000 for leasehold improvements and other improvements. There are no capitalization thresholds for new buildings or renovation projects that add new square footage. Depreciation is computed on the straight-line basis over the following estimated useful lives:

- Buildings – 20 to 50 years
- Infrastructure and Other Improvements – 15 years
- Furniture and Equipment – 3 to 20 years
- Library Resources – 10 years
- Property Under Capital Leases – 5 years
- Leasehold Improvements – Various based on lease terms
- Computer Software – 5 years

Depreciable assets of the Foundation are stated at cost and are net of accumulated depreciation of $4,318,279. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, ranging from 5 to 40 years.

Depreciable assets of the Health Care Network are stated at cost and are net of accumulated depreciation of $536,874. Depreciation is provided using the straight-line method over the estimated useful lives from 5 to 15 years for the assets.

Noncurrent Liabilities. Noncurrent liabilities include capital improvement debt payable, capital lease payable, compensated absences payable, other postemployment benefits payable, unearned revenue, liability for

FLORIDA INTERNATIONAL UNIVERSITY
A COMPONENT UNIT OF THE STATE OF FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

self-insured claims, and other long-term liabilities that are not scheduled to be paid within the next fiscal year. Capital improvement debt is reported net of unamortized premium on refunding. The University amortizes debt premiums over the life of the debt using the straight-line method. Deferred losses on refunding are amortized over the life of the old debt or new debt (whichever is shorter) using the straight-line method.

2. ADJUSTMENT TO BEGINNING NET POSITION – COMPONENT UNITS

The beginning net position of the aggregate component unit column was decreased by $226,735 due to the exclusion of the Research Foundation, a discretely presented component unit that is no longer reported in the University's financial statements as disclosed in note 1.

3. INVESTMENTS

Section 1011.42(5), Florida Statutes, authorizes universities to invest funds with the State Treasury and State Board of Administration (SBA), and requires that universities comply with the statutory requirements governing investment of public funds by local governments. Accordingly, universities are subject to the requirements of Chapter 218, Part IV, Florida Statutes. The University's Board of Trustees has adopted a written investment policy providing that surplus funds of the University shall be invested in those institutions and instruments permitted under the provisions of Florida Statutes. Pursuant to Section 218.415(16), Florida Statutes, the University is authorized to invest in the Florida PRIME investment pool administered by the SBA; interest-bearing time deposits and savings accounts in qualified public depositories, as defined in Section 280.02, Florida Statutes; direct obligations of the United States Treasury; obligations of Federal agencies and instrumentalities; securities of, or interests in, certain open-end or closed-end management type investment companies; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; and other investments approved by the University's Board of Trustees as authorized by law. Investments set aside to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital assets are classified as restricted.

The University's investments at June 30, 2014, are reported at fair value, as follows:

Investment Type	Amount
External Investment Pools:	
State Treasury Special Purpose Investment Account	$ 63,881,559
SBA Florida PRIME	1,828
SBA Fund B Surplus Funds Trust Fund	985
SBA Debt Service Accounts	2,844,444
Mutual Funds:	
Limited Partnerships	26,033,628
Equities	74,865,323
Fixed Income and Bond Mutual Funds	100,592,177
Commodities	24,057,547
Money Market Funds	16,147,898
Total University Investments	**$ 308,425,389**

FLORIDA INTERNATIONAL UNIVERSITY
A COMPONENT UNIT OF THE STATE OF FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

External Investment Pools

State Treasury Special Purpose Investment Account. The University reported investments at fair value totaling $63,881,559 at June 30, 2014, in the State Treasury Special Purpose Investment Account (SPIA) investment pool, representing ownership of a share of the pool, not the underlying securities. The SPIA carried a credit rating of A+f by Standard & Poor's, had an effective duration of 2.57 years and fair value factor of 1.0074 at June 30, 2014. The University relies on policies developed by the State Treasury for managing interest rate risk or credit risk for this investment pool. Disclosures for the State Treasury investment pool are included in the notes to financial statements of the State's Comprehensive Annual Financial Report.

State Board of Administration Florida PRIME. At June 30, 2014, the University reported investments totaling $1,828 in the Florida PRIME investment pool administered by the SBA pursuant to Section 218.405, Florida Statutes. The University's investments in the Florida PRIME investment pool, which the SBA indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, at June 30, 2014, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. The Florida PRIME investment pool carried a credit rating of AAAm by Standard & Poor's and had a weighted-average days to maturity (WAM) of 40 days as of June 30, 2014. A portfolio's WAM reflects the average maturity in days, based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the Florida PRIME investment pool to interest rate changes. The investments in the Florida PRIME investment pool are reported at fair value, which is amortized cost.

State Board of Administration Fund B Surplus Funds Trust Fund**.** The Fund B Surplus Funds Trust Fund (Fund B) is administered by the SBA pursuant to Sections 218.405 and 218.417, Florida Statutes, and is not subject to participant withdrawal requests. Distributions from Fund B, as determined by the SBA, are effected by transferring eligible cash or securities to the Florida PRIME investment pool, consistent with the pro rata allocation of pool shareholders of record at the creation date of Fund B on December 4, 2007. One hundred percent of such distributions from Fund B are available as liquid balance within the Florida PRIME investment pool.

At June 30, 2014, the University reported investments at fair value of $985 in Fund B. The University's investments in Fund B are accounted for as a fluctuating net asset value pool, with a fair value factor of 1.84438408 at June 30, 2014. The weighted-average life (WAL) of Fund B at June 30, 2014, was 2.86 years. A portfolio's WAL is the dollar-weighted average length of time until securities held reach maturity and is based on legal final maturity dates for Fund B as of June 30, 2014. WAL measures the sensitivity of Fund B to interest rate changes. The University's investment in Fund B is unrated.

State Board of Administration Debt Service Accounts

The University reported investments totaling $2,844,444 at June 30, 2014, in the SBA Debt Service Accounts. These investments are used to make debt service payments on bonds issued by the State Board of Education for the benefit of the University. The University's investments consist of United States Treasury securities, with maturity dates of six months or less, and are reported at fair value. The University relies on policies developed by

FLORIDA INTERNATIONAL UNIVERSITY
A COMPONENT UNIT OF THE STATE OF FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

the SBA for managing interest rate risk or credit risk for these accounts. Disclosures for the Debt Service Accounts are included in the notes to financial statements of the State's Comprehensive Annual Financial Report.

Fixed Income and Bond Mutual Funds

The University invested in various mutual funds in accordance with the University's investment policy. The following risks apply to the University's fixed income and bond mutual fund investments:

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Pursuant to Section 218.415(6), Florida Statutes, the University's investments in securities must provide sufficient liquidity to pay obligations as they come due. The future maturities of the securities held in the fixed income and bond mutual funds at June 30, 2014, are as follows:

University Debt Investment Maturities

Type of Investment	Investment Maturities (In Years)				
	Fair Market Value	Less Than 1	1-5	6-10	More Than 10
Fixed Income Mutual Fund	$ 57,482,237	$ 2,523,471	$ 28,758,363	$ 19,308,283	$ 6,892,120
TIPS Index Fund	20,760,391	7,251	7,100,359	8,239,821	5,412,960
High Yield Bond Mutual Fund	22,349,549	3,930,799	10,373,676	6,912,059	1,133,015
Total	$ 100,592,177	$ 6,461,521	$ 46,232,398	$ 34,460,163	$ 13,438,095

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2014, the securities held in the fixed income and bond mutual funds had credit quality ratings by a nationally-recognized agency (i.e., Standard & Poor's or Moody's), as follows:

University Debt Investment Credit Quality Ratings

Type of Investment	Fair Value	AAA / Aaa	AA / Aa	A	BBB / Baa to Not Rated
Fixed Income Mutual Fund	$ 57,482,237	$ 32,178,557	$ 2,063,612	$ 9,685,757	$ 13,554,311
TIPS Index Fund	20,760,391	20,760,391			
High Yield Bond Mutual Fund	22,349,549	2,122			22,347,427
Total	$ 100,592,177	$ 52,941,070	$ 2,063,612	$ 9,685,757	$ 35,901,738

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the University's investment in a single issuer. The University's investment policy addresses the issue of concentration of credit risk by establishing the following restrictions:

- Maximum position in an individual security (excluding government securities) must not exceed 5 percent of the account market value.

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- Maximum position in any one issuer (excluding government securities) must not exceed 5 percent of the account market value.

Component Units Investments

The Foundation's investments at June 30, 2014, are reported at fair value as follows:

Investment Type	Amount
Domestic Equities	$ 39,592,756
Global Equities	66,656,683
Real Assets	19,864,453
Fixed Income	31,101,247
Hedge Funds	58,638,683
Private Investments	17,018,260
Subtotal	232,872,082
Plus Accrued Income	12,543
Total	$ 232,884,625

The Finance Corporation investments are made in accordance with the trust indenture. The investments at June 30, 2014, are reported at fair value, as follows:

Investment Type	Amount
External Investment Pools:	
SBA Fund B Surplus Funds Trust Fund	$ 110,267
Money Market Mutual Funds	3,687,769
Total	$ 3,798,036

Credit Risk: At June 30, 2014, the Finance Corporation money market mutual fund investments were rated AAAm by Standard & Poor's. Fund B is not rated by any nationally-recognized agency.

4. RECEIVABLES

Accounts Receivable. Accounts receivable represent amounts for student tuition and fees, contract and grant reimbursements due from third parties, various sales and services provided to students and third parties, and interest accrued on investments and loans receivable. As of June 30, 2014, the University reported the following amounts as accounts receivable:

Description	Amount
Student Tuition and Fees	$ 18,971,343
Contracts and Grants	6,807,908
Other	140,114
Total Accounts Receivable	$ 25,919,365

Loans and Notes Receivable. Loans and notes receivable represent all amounts owed on promissory notes from debtors, including student loans made under the Federal Perkins Loan Program and other loan programs.

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Allowance for Doubtful Receivables. Allowances for doubtful accounts, and loans and notes receivable, are reported based on management's best estimate as of fiscal year-end considering type, age, collection history, and other factors considered appropriate. Accounts receivable, and loans and notes receivable, are reported net of allowances of $19,234,009 and $1,429,925, respectively, at June 30, 2014.

5. DUE FROM STATE

This amount consists of $36,000,931 of Public Education Capital Outlay and $8,652,357 of Capital Improvement Fees Trust due from the State for the construction of University facilities.

6. DUE FROM AND TO COMPONENT UNITS/UNIVERSITY

The University's financial statements are reported for the fiscal year ended June 30, 2014. One component unit is not presented (see Note 1). Additionally, component units' due from and due to amounts include receivables and payables between the various component units. Accordingly, amounts reported by the University as due from and to component units on the Statement of Net Position may not agree with amounts reported by the component units as due from and to the University.

7. CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2014, is shown below:

Description	Beginning Balance	Additions	Reductions	Ending Balance
Nondepreciable Capital Assets:				
Land	$ 28,389,550	$ 282,228	$	$ 28,671,778
Works of Art and Historical Treasures	3,962,039	242,210		4,204,249
Construction in Progress	146,214,362	96,614,514	70,374,435	172,454,441
Total Nondepreciable Capital Assets	$ 178,565,951	$ 97,138,952	$ 70,374,435	$ 205,330,468
Depreciable Capital Assets:				
Buildings	$ 844,561,590	$ 68,095,948	$	$ 912,657,538
Infrastructure and Other Improvements	17,919,421	78,700		17,998,121
Furniture and Equipment	113,470,243	10,838,822	8,269,352	116,039,713
Library Resources	105,211,440	4,281,037	5,086,540	104,405,937
Property Under Capital Leases and Leasehold Improvements	752,569	1,036,998		1,789,567
Computer Software	2,038,585	502,322	180,459	2,360,448
Total Depreciable Capital Assets	1,083,953,848	84,833,827	13,536,351	1,155,251,324
Less, Accumulated Depreciation:				
Buildings	252,818,407	23,232,543		276,050,950
Infrastructure and Other Improvements	13,454,093	437,802		13,891,895
Furniture and Equipment	79,298,825	8,910,156	8,077,762	80,131,219
Library Resources	62,633,940	8,474,301	5,086,540	66,021,701
Property Under Capital Leases and Leasehold Improvements	123,409	91,022		214,431
Computer Software	1,313,592	303,670	180,458	1,436,804
Total Accumulated Depreciation	409,642,266	41,449,494	13,344,760	437,747,000
Total Depreciable Capital Assets, Net	$ 674,311,582	$ 43,384,333	$ 191,591	$ 717,504,324

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8. UNEARNED REVENUE

Unearned revenue includes contract and grants payments received in advance, nonrefundable admission fees, prepaid stadium rental income received from the Finance Corporation, conference center fees, land use fees and athletic revenues received prior to fiscal year-end related to subsequent accounting periods. As of June 30, 2014, the University reported the following amounts as unearned revenue:

Description	Amount
Contracts and Grants	$ 3,605,383
Admission Fees	1,323,695
Stadium Rental Income	1,304,083
Conference Center Fees	70,334
Land Use Fees	52,381
Athletic Revenues	9,500
Total Unearned Revenue	**$ 6,365,376**

9. LONG-TERM LIABILITIES

Long-term liabilities of the University at June 30, 2014, include capital improvement debt payable, capital lease payable, compensated absences payable, other postemployment benefits payable, the long-term portion of unearned revenue, liability for self-insured claims, and other long-term liabilities. Long-term liabilities activity for the fiscal year ended June 30, 2014, is shown below:

Description	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Capital Improvement Debt Payable	$ 158,683,324	$ 49,663,919	$ 25,866,990	$ 182,480,253	$ 8,830,085
Capital Lease Payable		1,037,000		1,037,000	181,770
Compensated Absences Payable	34,173,512	6,141,915	2,627,057	37,688,370	2,806,276
Other Postemployment Benefits Payable	26,197,000	12,314,000	1,163,000	37,348,000	
Unearned Revenue	32,592,946	2,172,086	8,372,639	26,392,393	
Liability for Self-Insured Claims	75,730	26,536	22,436	79,830	40,713
Other Long-Term Liabilities	2,431,463		202,901	2,228,562	
Total Long-Term Liabilities	$ 254,153,975	$ 71,355,456	$ 38,255,023	$ 287,254,408	$ 11,858,844

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Capital Improvement Debt Payable. The University had the following capital improvement debt payable outstanding at June 30, 2014:

Capital Improvement Debt Type and Series	Amount of Original Debt	Amount Outstanding (1)	Interest Rates (Percent)	Maturity Date To
Student Housing Debt:				
2004A Student Apartments	$ 53,915,000	$ 32,661,690	4.00 - 5.00	2034
2011 Student Apartments Refunding	22,210,000	20,227,483	3.00 - 5.00	2025
2012 Student Apartments	53,655,000	53,115,636	3.00 - 4.25	2041
Total Student Housing Debt	129,780,000	106,004,809		
Parking Garage Debt:				
2009 Parking Garage A&B	32,000,000	28,915,000	4.00 - 6.875	2039
2013A Parking Garage	48,365,000	47,560,444	3.00 - 5.25	2043
Total Parking Garage Debt	80,365,000	76,475,444		
Total Capital Improvement Debt	$ 210,145,000	$ 182,480,253		

Note: (1) Amount outstanding includes unamortized discounts and premiums, and deferred losses on refunding issues.

The University has pledged a portion of future housing rental revenues, traffic and parking fees, and an assessed transportation fee per student to repay $210,145,000 of capital improvement (housing and parking) revenue bonds issued by the Florida Board of Governors on behalf of the University. Proceeds from the bonds provided financing to construct parking garages and student housing facilities. The bonds are payable solely from housing rental income, parking fees, and assessed transportation fees per student and are payable through 2043. The University has committed to appropriate each year from the housing rental income, parking fees, and assessed transportation fees per student amounts sufficient to cover the principal and interest requirements on the debt. Total principal and interest remaining on the debt is $294,951,678, and principal and interest paid for the current year totaled $17,936,281. During the 2013-14 fiscal year, housing rental income, traffic and parking fees, and assessed transportation fees totaled $30,458,678, $5,433,093, and $10,103,245, respectively.

On September 26, 2013, the Florida Board of Governors issued $48,365,000 of Capital Improvement Parking Garage Revenue Bonds, Series 2013A. A portion of the capital improvement debt proceeds was used to defease $14,865,000 of outstanding Capital Improvement Parking Garage Revenue Bonds, Series 1999 and 2002, with the remaining portion used to finance the construction of a parking garage facility on the main campus of the University. A portion of the proceeds were placed in an irrevocable trust with an escrow agent to provide for all future debt service payments on the defeased bonds. The trust assets and the liability for the defeased bonds are not included in the University's statement of net position. As a result of the refunding, the University reduced its capital improvement debt service requirement by $1,142,450 over the next 9 years and obtained an economic gain of $1,001,780. At June 30, 2014, there was no outstanding balance of the defeased debt.

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Annual requirements to amortize all capital improvement debt outstanding as of June 30, 2014, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2015	$ 8,265,000	$ 8,364,765	$ 16,629,765
2016	8,615,000	7,995,015	16,610,015
2017	6,920,000	7,605,390	14,525,390
2018	7,220,000	7,293,610	14,513,610
2019	7,545,000	6,954,130	14,499,130
2020-2024	36,070,000	29,967,870	66,037,870
2025-2029	32,770,000	22,615,223	55,385,223
2030-2034	32,060,000	15,159,888	47,219,888
2035-2039	27,700,000	7,520,975	35,220,975
2040-2043	12,990,000	1,319,812	14,309,812
Subtotal	180,155,000	114,796,678	294,951,678
Plus: Net Bond Discounts and Premiums on Bond Refunding	2,325,253		2,325,253
Total	$ 182,480,253	$ 114,796,678	$ 297,276,931

Capital Lease Payable – Related Party Transaction. Land and a building in the amount of $1,037,000 are being acquired under a capital lease agreement with the Foundation. The stated interest rate is 6.6 percent. Future minimum payments under the capital lease agreement and the present value of the minimum payments as of June 30, 2014, are as follows:

Fiscal Year Ending June 30	Amount
2015	$ 250,212
2016	250,212
2017	250,212
2018	250,212
2019	250,212
Total Minimum Payments	1,251,060
Less, Amount Representing Interest	(214,060)
Present Value of Minimum Payments	$ 1,037,000

Compensated Absences Payable. Employees earn the right to be compensated during absences for annual leave (vacation) and sick leave earned pursuant to Board of Governors regulations, University regulations, and bargaining agreements. Leave earned is accrued to the credit of the employee and records are kept on each employee's unpaid (unused) leave balance. The University reports a liability for the accrued leave; however, State noncapital appropriations fund only the portion of accrued leave that is used or paid in the current fiscal year. Although the University expects the liability to be funded primarily from future appropriations, generally accepted accounting principles do not permit the recording of a receivable in anticipation of future appropriations. At June 30, 2014, the estimated liability for compensated absences, which includes the University's share of the Florida Retirement System and FICA contributions, totaled $37,688,370. The current portion of the

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compensated absences liability, $2,806,276, is the amount expected to be paid in the coming fiscal year, and represents a historical percentage of leave used applied to the total accrued leave liability.

Other Postemployment Benefits Payable. The University follows GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for certain postemployment healthcare benefits administered by the State Group Health Insurance Program.

Plan Description. Pursuant to the provisions of Section 112.0801, Florida Statutes, all employees who retire from the University are eligible to participate in the State Group Health Insurance Program, an agent multiple-employer, defined-benefit plan (Plan). The University subsidizes the premium rates paid by retirees by allowing them to participate in the Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the Plan on average than those of active employees. Retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. A stand-alone report is not issued and the Plan information is not included in the report of a public employee retirement system or another entity.

Funding Policy. Plan benefits are pursuant to the provisions of Section 112.0801, Florida Statutes, and benefits and contributions can be amended by the Florida Legislature. The University has not advance-funded or established a funding methodology for the annual other postemployment benefit (OPEB) costs or the net OPEB obligation, and the Plan is financed on a pay-as-you-go basis. For the 2013-14 fiscal year, 348 retirees received postemployment healthcare benefits. The University provided required contributions of $1,163,000 toward the annual OPEB cost, comprised of benefit payments made on behalf of retirees for claims expenses (net of reinsurance), administrative expenses, and reinsurance premiums. Retiree contributions totaled $2,123,000, which represents 0.6 percent of covered payroll.

Annual OPEB Cost and Net OPEB Obligation. The University's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the University's annual OPEB cost for the fiscal year, the amount actually contributed to the Plan, and changes in the University's net OPEB obligation:

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Description	Amount
Normal Cost (Service Cost for One Year)	$ 7,702,000
Amortization of Unfunded Actuarial Accrued Liability	4,004,000
Interest on Normal Cost and Amortization	468,000
Annual Required Contribution	12,174,000
Interest on Net OPEB Obligation	1,048,000
Adjustment to Annual Required Contribution	(908,000)
Annual OPEB Cost (Expense)	12,314,000
Contribution Toward the OPEB Cost	(1,163,000)
Increase in Net OPEB Obligation	11,151,000
Net OPEB Obligation, Beginning of Year	26,197,000
Net OPEB Obligation, End of Year	$ 37,348,000

The University's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation as of June 30, 2014, and for the two preceding fiscal years, were as follows:

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2011-12	$ 8,561,000	17.0%	$ 19,185,000
2012-13	8,614,000	18.6%	26,197,000
2013-14	12,314,000	9.4%	37,348,000

Funded Status and Funding Progress. As of July 1, 2013, the most recent actuarial valuation date, the actuarial accrued liability for benefits was $120,121,000, and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability of $120,121,000, and a funded ratio of 0 percent. The covered payroll (annual payroll of active participating employees) was $332,597,433 for the 2013-14 fiscal year, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 36.1 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan provisions, as understood by the employer and participating members, and include the types of

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benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and participating members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The University's OPEB actuarial valuation as of July 1, 2013, used the entry-age cost actuarial method to estimate the actuarial accrued liability as of June 30, 2014, and the University's 2013-14 fiscal year ARC. This method was selected because it is the same method used for the valuation of the Florida Retirement System. Because the OPEB liability is currently unfunded, the actuarial assumptions included a 4 percent rate of return on invested assets. The actuarial assumptions also included a payroll growth rate of 4 percent per year and an inflation rate of 3 percent. Initial healthcare cost trend rates were 7.4, 7.0, and 8.2 percent for the first three years, respectively, for all retirees in the Preferred Provider Option (PPO) Plan, and 3.9, 7.8, and 8.3 percent for the first three years for all retirees in the Health Maintenance Organization (HMO) Plan. The PPO and HMO healthcare trend rates both grade down to an ultimate rate of 5 percent over 70 years. The unfunded actuarial accrued liability is being amortized over 30 years using the level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2014, was 23 years.

Other Long-Term Liabilities. Primarily represents the University's liability for the Federal Capital Contribution (advance) provided to fund the University's Federal Perkins Loan program. This amount will ultimately be returned to the Federal Government should the University cease making Federal Perkins Loans or have excess cash in the loan program.

10. COMPONENT UNITS DEBT ISSUES

Notes Payable – Florida International University Foundation, Inc.

On January 20, 2000, the Miami-Dade County Educational Facilities Authority (the Authority) issued $13 million tax-exempt revenue bonds (Florida International University Foundation Project – Series 1999). These bonds are payable from and secured by a pledge of payments to be made to the Authority under a loan agreement dated December 1, 1999, between the Foundation and the Authority.

The bonds are secured by an irrevocable letter of credit issued by a commercial bank as described below. The Foundation will finance the payments to the Authority under the loan agreement with lease payments received from the University under an operating lease (see note 15). The $13 million original principal amount was issued under a variable rate structure with a final maturity date of May 1, 2022. The variable rate on fifty percent of the original issue, $6.5 million, has been synthetically fixed at 4.63 percent through February 1, 2015, by way of an interest rate swap agreement with a commercial bank (see note 11). The bond proceeds were used to acquire, construct, and equip a multi-function support complex located on the Modesto A. Maidique campus and to pay issuance costs. As of June 30, 2014, the outstanding principal balance due under this note payable was $6.9 million. For the year ended June 30, 2014, total interest incurred and paid was $297,143.

On December 1, 1999, the Foundation entered into a letter of credit agreement with a commercial bank that permitted the Foundation to borrow up to $13 million through December 15, 2004, bearing interest at the prime

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rate plus 2 percent. On November 29, 2004, this agreement was extended, with the same terms and conditions, through December 15, 2009. There were two additional extensions subsequent to that date through July 30, 2010. The Foundation must pay an annual commitment fee of 0.45 percent on the unused portion of the commitment. Borrowings under the financing agreement mature 90 days after the date of the borrowing.

Under the letter of credit agreement and loan agreement noted above, the Foundation is obligated under certain debt covenants with which they are in compliance.

The bonds were repurchased by the Trustee under a commercial bank letter of credit due to the diminishing ability to remarket the variable rate demand bonds in the public marketplace. On July 30, 2010, the bank converted the variable rate demand bonds into a five year tax exempt qualified loan. After the initial five year period, the bank would have the right to require the Foundation to refinance the bank qualified loan or could agree to extend the maturity date for an additional five year period. The Foundation agrees to pay interest at a rate of 67 percent of the one-month London Interbank Offered Rate (LIBOR) plus 1.68 percent. The bond maturity date of May 1, 2022, remains unchanged as does the swap agreement. On July 30, 2010, the Foundation paid $52,213 in refinancing fees to complete this transaction. Since the terms remained substantially the same and the present value of the cash outflows is not substantially different, this is not considered an exchange of debt instruments.

The aggregate maturities of the notes payable, as of June 30, 2014, are shown in the following table:

Fiscal Year Ending June 30	Amount
2015	$ 755,000
2016	745,000
2017	785,000
2018	825,000
2019	865,000
Thereafter	2,945,000
Total	$ 6,920,000

Notes Payable – The Florida International University Academic Health Center Health Care Network Faculty Group Practice, Inc. – Related Party Transaction

On August 27, 2010, the Health Care Network entered into a loan agreement totaling $5,321,198 with the University in order to provide working capital and build out capital to fund the expansion of the faculty practice plan and the establishment of the ambulatory care center and other University clinical activities. Interest on the loan accrues at 2 percent simple interest and the loan is scheduled to mature on June 1, 2030. Drawdowns on the loan for the fiscal year ended June 30, 2014, totaled $5,321,198 and relate principally to expenses paid directly by the University on behalf of Health Care Network. The loan also includes approximately $203,000 of accrued interest as of June 30, 2014. Payments on the loan are scheduled to begin on June 1, 2015.

Estimated principal and interest payments for the life of the amounts due to the University based on the balances as of June 30, 2014, are as follows:

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Fiscal Year Ending June 30	Principal	Interest	Total
2015	$	$ 108,250	$ 108,250
2016		108,250	108,250
2017		108,250	108,250
2018	389,508	110,492	500,000
2019	397,299	102,701	500,000
2020-2024	2,108,909	391,091	2,500,000
2025-2029	2,328,406	171,594	2,500,000
2030	300,455	6,009	306,464
Total	$ 5,524,577	$ 1,106,637	$ 6,631,214

Bonds Payable – FIU Athletics Finance Corporation

On December 1, 2009, the Finance Corporation issued $30,000,000 of Miami-Dade County Industrial Development Authority Revenue Bonds Series 2009A and $5,310,000 of Miami-Dade County Industrial Development Authority Taxable Revenue Bonds Series 2009B.

These bonds were issued and secured under and pursuant to the Trust Indenture. Repayments of the bonds will be payable from pledged revenues, which are all operating and nonoperating revenues. Principal payments for the bonds began March 1, 2010. Interest payments are made on a quarterly basis. The interest rate on the Series 2009A bonds is equal to the sum of 63.7 percent of the three-month LIBOR plus 1.90 percent. The interest rate on the Series 2009B bonds shall be at a rate equal to the three-month LIBOR plus 2.65 percent. The total proceeds from the new bond issues were used solely to retire and refund the outstanding Series 2007A and Series 2007B bonds and pay costs of issuance of the bonds and other refinancing costs. The bonds are secured by operating and nonoperating revenues as well as University athletic fees, not to exceed 5 percent of the total athletic fees collected. Total principal due at June 30, 2014, was $32,092,444.

The Finance Corporation has funded a debt service reserve fund in accordance with the bond indenture requirement of maintaining an amount equal to the maximum allowable debt service on the bond in the current and any future fiscal year. This debt service reserve fund currently totals $2,648,876 and is included in restricted investments.

The Finance Corporation is required to maintain minimum deposits of $1,500,000 with a bank. The deposit is to be held in an interest-bearing additional reserve fund and is included in restricted cash.

The interest rate on these bonds is both fixed and variable and is subject to a swap agreement (see Note 11) that was entered into to reduce the exposure to market risks from changing interest rates. Interest is computed on the basis of the actual number of days elapsed over a year of 365 or 366 days.

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The aggregate maturities of these bonds as of June 30, 2014, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2015	$ 676,567	$ 1,719,051	$ 2,395,618
2016	697,270	1,684,647	2,381,917
2017	1,090,035	1,649,191	2,739,226
2018	1,300,000	1,592,684	2,892,684
2019	1,357,143	1,522,802	2,879,945
2020-2024	7,778,571	6,449,448	14,228,019
2025-2029	9,714,286	4,159,869	13,874,155
2030-2033	9,478,572	1,302,408	10,780,980
Total	$ 32,092,444	$ 20,080,100	$ 52,172,544

11. DERIVATIVE FINANCIAL INSTRUMENTS – COMPONENT UNITS

The Foundation and the Finance Corporation entered into derivative instruments (i.e., interest rate swap agreements) to reduce their exposure to market risks from changing interest rates. For interest rate swap agreements, the differential to be paid or received is accrued and recognized as interest expense and may change as market interest rates change. These interest rate swap agreements, and a related Letter of Credit agreement entered into by the Finance Corporation, are discussed below.

Florida International University Foundation, Inc.

On February 1, 2000, the Foundation entered into an interest rate swap agreement with a commercial bank on a notional amount of $6,500,000 which represents 50 percent of the principal amount of the bond issue, as described in note 10. Under the original interest rate swap agreement, the Foundation agreed to pay a fixed rate of 5.03 percent per annum and receive variable rates based on 67 percent of the one-month U.S. Dollar London Interbank Offered Rate (LIBOR). Effective October 1, 2005, the Foundation renegotiated the interest rate swap agreement reducing the interest rate swap to 4.63 percent per annum. The renegotiated interest rate swap agreement expires on February 1, 2015. The derivative liability, included with reported other long-term liabilities at June 30, 2014, was $103,307.

FIU Athletics Finance Corporation

Objectives. As a means to lower its borrowing costs and increase its savings, the Finance Corporation entered into an interest rate swap agreement in connection with its $30,000,000 2009A Miami-Dade County Industrial Development Authority Revenue Bond issuance. The intention of the interest rate swap agreement was to effectively change the Finance Corporation's variable interest rate on the bonds to a synthetic fixed rate of 5.50 percent, which is the fixed rate payable by the Finance Corporation under the interest rate swap agreement of 3.60 percent plus 1.90 percent.

Terms. On December 22, 2009, the Finance Corporation entered into an interest rate swap agreement to hedge the floating rate on $21,000,000 of the principal amount of the 2009A bonds. This represents the fixed portion of the tax exempt bonds payable mentioned above. Under the interest rate swap agreement, the Finance

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Corporation agrees to pay a fixed rate of 3.60 percent and receive a variable rate equal to 63.7 percent of the three-month LIBOR. The interest rate swap agreement has a maturity date of March 1, 2033.

Fair Value. As of June 30, 2014, the Finance Corporation interest rate swap agreement has a derivative liability of $4,058,774 as included with reported other long-term liabilities in the statement of net position. The negative fair value was determined using Mark-to-Market Value and represents the closing mid-market values.

As of June 30, 2014, the fair value of the Series 2007A ineffective interest rate swap agreement was $1,815,844, which is included with reported other long-term liabilities. This interest rate swap agreement was not terminated when the bonds were refunded in December 2009. The interest rate on the refunding Series 2009 bonds reflects a higher rate due to not terminating this interest rate swap agreement. Accordingly, the fair value of $1,815,844 of the ineffective Series 2007A interest rate swap agreement is being amortized over the remaining life of the refunding Series 2009A bonds.

The synthetic instrument method evaluates the effectiveness of a potential hedging derivative instrument by quantitative approach. The synthetic instrument method evaluates effectiveness by combining the hedgeable item and the potential hedging derivative instrument to simulate a third synthetic instrument. A potential hedging derivative instrument is effective if its total variable cash flows substantially offset the variable cash flows of the hedgeable item. The Finance Corporation determined that it met the criteria of the synthetic instrument method. Therefore, the change in the fair value of the effective interest rate swap agreement is presented in the component units column of the statement of net position as a deferred outflow of resources in the amount of $2,242,930.

Credit Risk. As of June 30, 2014, the Finance Corporation was not exposed to credit risk because the interest rate swap agreement had a negative fair value. However, should interest rates change and the fair value of the interest rate swap agreement become positive, the Finance Corporation would be exposed to credit risk in the amount of the derivative's fair value. The interest rate swap agreement counterparty was rated Baa3 by Moody's Investors Service, BBB by Standard and Poor's and BBB- by Fitch.

Basis Risk. Basis risk arises when different indexes are used in connection with a derivative. Given that both the bond and the interest rate swap agreement are based on 63.7 percent of the three-month LIBOR rate, there is limited basis risk.

Termination Risk. The derivative contract uses the International Swap Dealers Association (ISDA) Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The schedule to the Master Agreement includes an "additional termination event". That is, the interest rate swap agreement may be terminated if: (i) the loan or other indebtedness in connection with which a transaction entered into by the Finance Corporation for the purpose or with the effect of altering the net combined payment from a floating to fixed or a fixed to floating rate basis is repaid, whether upon acceleration of principal, at maturity, or otherwise, or for any other reason ceases to be an obligation of the Finance Corporation, with or without the consent of the counterparty; or (ii) any credit support document expires, terminates, or ceases to be of full force and effect. Also, the interest rate swap agreement may be terminated or assigned by the Finance Corporation if the counterparty's long-term, senior, unsecured, unenhanced debt rating is withdrawn, suspended, or falls below at

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least two of the following: a) "Baa3" as determined by Moody's; or b) "BBB" as determined by Standard and Poor's; or c) "BBB-" as determined by Fitch.

Swap Payments and Associated Debt. Using rates as of June 30, 2014, debt service requirements of the variable-rate portion of the debt and net swap payments, assuming current interest rates remain the same for their term, are as follows:

Fiscal Year Ending June 30	Variable-Rate Bond Principal	Variable-Rate Bond Interest	Interest Rate Swap, Net	Total
2015	$	$ 399,314	$ 755,686	$ 1,155,000
2016		399,314	755,686	1,155,000
2017	260,000	399,314	755,686	1,415,000
2018	910,000	394,370	746,330	2,050,700
2019	950,000	377,066	713,584	2,040,650
2020-2024	5,445,000	1,596,971	3,022,205	10,064,176
2025-2029	6,800,000	1,030,040	1,949,310	9,779,350
2030-2033	6,635,000	322,492	610,307	7,567,799
Total	$ 21,000,000	$ 4,918,881	$ 9,308,794	$ 35,227,675

Note: As rates vary, variable-rate bond interest payments and net swap payments will vary.

12. RETIREMENT PROGRAMS

Florida Retirement System. Essentially all regular employees of the University are eligible to enroll as members of the State-administered Florida Retirement System (FRS). Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Members of both Plans may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member

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retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. University employees already participating in the State University System Optional Retirement Program or DROP are not eligible to participate in this program. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded by employer and employee contributions that are based on salary and membership class (Regular Class, Senior Management Service Class, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Employees in the Investment Plan vest at one year of service.

The State of Florida establishes contribution rates for participating employers and employees. Contribution rates during the 2013-14 fiscal year were as follows:

Class	Percent of Gross Salary	
	Employee	Employer (A)
Florida Retirement System, Regular	3.00	6.95
Florida Retirement System, Senior Management Service	3.00	18.31
Florida Retirement System, Special Risk	3.00	19.06
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes	0.00	12.84
Florida Retirement System, Reemployed Retiree	(B)	(B)

Notes: (A) Employer rates include 1.20 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include .03 percent for administrative costs of the Investment Plan.

(B) Contribution rates are dependent upon retirement class in which reemployed.

The University's liability for participation is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the University. The University's contributions including employee contributions for the fiscal years ended June 30, 2012, June 30, 2013, and June 30, 2014, totaled

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$7,113,640, $7,771,995, and $10,934,906, respectively, which were equal to the required contributions for each fiscal year.

There were 647 University participants in the Investment Plan during the 2013-14 fiscal year. The University's contributions including employee contributions to the Investment Plan totaled $2,579,281, which was equal to the required contribution for the 2013-14 fiscal year.

Financial statements and other supplementary information of the FRS are included in the State's Comprehensive Annual Financial Report, which is available from the Florida Department of Financial Services' Web site (www.myfloridacfo.com). An annual report on the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Division of Retirement's Web site (www.frs.myflorida.com).

State University System Optional Retirement Program. Section 121.35, Florida Statutes, provides for an Optional Retirement Program (Program) for eligible university instructors and administrators. The Program is designed to aid State universities in recruiting employees by offering more portability to employees not expected to remain in FRS for eight or more years.

The Program is a defined-contribution plan, which provides full and immediate vesting of all contributions submitted to the participating companies on behalf of the participant. Employees in eligible positions can make an irrevocable election to participate in the Program, rather than the FRS, and purchase retirement and death benefits through contracts provided by certain insurance carriers. The employing university contributes, on behalf of the participant, 7.34 percent of the participant's salary, less a small amount used to cover administrative costs, and employees contribute 3 percent of the employee's salary. Additionally, the employee may contribute, by payroll deduction, an amount not to exceed the percentage contributed by the University to the participant's annuity account. The contributions are invested in the company or companies selected by the participant to create a fund for the purchase of annuities at retirement.

There were 2,686 University participants during the 2013-14 fiscal year. The University's contributions to the Program totaled $14,610,110 and employee contributions totaled $9,829,813 for the 2013-14 fiscal year.

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13. CONSTRUCTION COMMITMENTS

The University's construction commitments at June 30, 2014, are as follows:

Project Description	Total Committed	Completed to Date	Balance Committed
Student Academic Support Center	$ 24,138,383	$ 1,193,628	$ 22,944,755
Parking Garage Six	42,593,953	20,572,154	22,021,799
Mixed-Use Auxiliary Building	35,703,112	25,161,462	10,541,650
Recreation Center Expansion	8,595,233	345	8,594,888
User Paid Construction Projects	24,748,577	17,243,799	7,504,778
FIU Ambulatory Care Center	8,527,054	2,556,388	5,970,666
Robert Stempel College of Public Health and Social Science Building	31,026,142	25,442,704	5,583,438
Utilities/Infrastructure/Capital Renewal	3,603,832	392,130	3,211,702
Subtotal	178,936,286	92,562,610	86,373,676
Projects with Balance Committed Under $3 Million	95,927,328	79,891,831	16,035,497
Total	$ 274,863,614	$ 172,454,441	$ 102,409,173

14. OPERATING LEASE COMMITMENTS

The University leased building space under operating leases, which expire in 2034. These leased assets and the related commitments are not reported on the University's statement of net position. Operating lease payments are recorded as expenses when paid or incurred. Outstanding commitments resulting from these lease agreements are contingent upon future appropriations. Included in the annual payments below are the minimum payments required for the operating lease due to the Foundation as described in note 15. Future minimum lease commitments for noncancelable operating leases are as follows:

Fiscal Year Ending June 30	Amount
2015	$ 4,270,969
2016	4,442,954
2017	4,573,752
2018	4,731,897
2019	4,825,396
2020-2024	16,838,177
2025-2029	6,184,664
2030-2034	6,053,937
Total Minimum Payments Required	$ 51,921,746

15. OPERATING LEASE COMMITMENTS – RELATED PARTY TRANSACTIONS

Florida International University Foundation, Inc.

On December 1, 1999, the former Board of Regents of the State University System of the State of Florida for and on behalf of the University entered into a ground lease agreement with the Foundation. Under this agreement, the Foundation leases from the University the grounds on which a multi-function support complex facility was

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built on the Modesto A. Maidique campus. The consideration required to be paid by the Foundation is $10 annually. The ground lease will expire on December 31, 2024, or on the date the Foundation makes its final payment under a letter of credit agreement related to the financing of the facility. Total amounts paid to the Foundation under this agreement were $1,375,281 and $1,405,552 for the years ended June 30, 2014, and June 30, 2013, respectively.

On December 1, 1999, the former Board of Regents on behalf of the University also entered into a 20-year operating lease agreement with the Foundation for the facility. Under the terms of the operating lease, the University will pay the Foundation rent in the amount equal to all amounts due and payable by the Foundation under the letter of credit agreement, if any, and loan agreement related to the financing of the facility. The payments also include any costs of operating and maintaining the facility, in addition to amounts necessary to pay any unanticipated and extraordinary costs. The lease commenced during August 2002 when the facility became operational. The lease will terminate on May 1, 2022, which is the date of maturity of the loan agreement.

The facility under the above operating lease is not recorded as an asset on the statement of net position; however, the operational lease payments are recorded as expenses in the statement of revenues, expenses, and changes in net position when paid or incurred.

The following schedule by years presents management's best estimate of future minimum rental payments for this noncancelable operating lease as of June 30, 2014:

Fiscal Year Ending June 30	Amount
2015	$ 1,363,000
2016	1,363,000
2017	1,363,000
2018	1,418,000
2019	1,418,000
Thereafter	4,253,000
Total Minimum Payments Required	$ 11,178,000

FIU Athletics Finance Corporation

The University and the Finance Corporation entered into two 25-year ground sublease agreements dated April 1, 2007, rendering the rights to the Finance Corporation to issue a series of capital improvement bonds of which a portion of the proceeds, along with contributions from the University, was used to finance a stadium improvement project located on University premises. Under this agreement, the Finance Corporation prepaid to the University, for rental of the premises, the sum of $31,937,211.

The following schedule by years represents management's best estimate of future minimum rental expense that will be recognized for these sublease agreements:

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Fiscal Year Ending June 30	Amount
2015	$ 1,304,083
2016	1,304,083
2017	1,304,083
2018	1,304,083
2019	1,304,083
2020-2024	6,520,416
2025-2029	6,520,416
2030-2033	5,107,659
Total Minimum Payments Required	**$ 24,668,906**

16. GIFT AGREEMENT – FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC.

The Wolfsonian, Inc. (Wolfsonian), was established in 1986 to create and operate a museum and research center in Miami Beach, Florida, and to support a comprehensive program focused on the collection, exhibition, interpretation, preservation, research and publication of the decorative, or design and architectural arts. The Wolfsonian has been loaned the Mitchell Wolfson, Jr. collection of nearly 27,000 objects of art and rare books dating from the late nineteenth to the mid-twentieth century. It encompasses furniture, sculpture, paintings, books, graphics and other works of art on paper, as well as archives relating to the period. Through a series of academic study and fellowship programs, national and international traveling exhibitions, and scholarly initiatives, the Wolfsonian promotes public education and awareness of the social, historical, technological, political, economic, and artistic material culture of Europe and America in the 1885-1945 period.

On July 1, 1997, the Foundation entered into a gift agreement (Agreement) with Mitchell Wolfson, Jr., the Wolfsonian, and the University, whereby Mitchell Wolfson, Jr. agreed to donate all rights, title, and interest in and to all objects constituting the Mitchell Wolfson, Jr. Collection of Decorative and Propaganda Arts to the Foundation, subject to a loan agreement made and entered into by the Wolfsonian and Mr. Wolfson, Jr., dated July 29, 1991. The loan agreement was extended through to July 2021.

The Foundation has elected to exercise the option of not capitalizing the items that meet the definition of "collection" as prescribed by accounting principles generally accepted in the United States. Therefore, the fair value of the donated Collection of Decorative and Propaganda Arts is not reflected in the University's financial statements. Purchases of collection items are recorded as decreases in unrestricted net position in the year in which the items are acquired, or as temporarily or permanently restricted net position if the assets used to purchase the items are restricted by donors. Proceeds from deaccessions or insurance recoveries are reflected as increases in the appropriate net position classes.

As a result of the Agreement, the Wolfsonian amended its articles of incorporation and bylaws to provide that all its directors be appointed and removed at any time with or without cause by the Foundation, to effect a transfer of complete control of all of the assets, interest, and obligations of the Wolfsonian to the Foundation. On May 26, 1999, the Foundation passed a revision to the bylaws of the Wolfsonian to make the Foundation the sole voting member of the Wolfsonian.

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The gifts are conditional upon the provisions outlined in the Agreement including, but not limited to, the Foundation continuing the museum and educational activities and operations that were conducted by the Wolfsonian. As a result of the Agreement, the University and Foundation have assumed all administrative functions and operating costs of the Wolfsonian.

The most significant of the obligations under the Agreement is for the University to provide the Wolfsonian with the same financial support from its general budget, as provided to other departments, and to continue the museum and educational activities and operations of the Wolfsonian. The University provided support of approximately $2.3 million during the 2013-14 fiscal year for Wolfsonian expenses which included salaries, equipment, administrative expenses, insurance premiums for the art collection, and building security. In addition, the University provided support of approximately $512,000 during the 2013-14 fiscal year for utilities, repairs, and maintenance expenses for buildings used by the Wolfsonian.

17. RISK MANAGEMENT PROGRAMS

The University is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Pursuant to Section 1001.72(2), Florida Statutes, the University participates in State self-insurance programs providing insurance for property and casualty, workers' compensation, general liability, fleet automotive liability, Federal Civil Rights, and employment discrimination liability. During the 2013-14 fiscal year, for property losses, the State retained the first $2 million per occurrence for all perils except named windstorm and flood. The State retained the first $2 million per occurrence with an annual aggregate retention of $40 million for named windstorm and flood losses. After the annual aggregate retention, losses in excess of $2 million per occurrence were commercially insured up to $50 million for named windstorm and flood losses through February 15, 2014, and increased to $54 million starting February 16, 2014. For perils other than named windstorm and flood, losses in excess of $2 million per occurrence were commercially insured up to $200 million; and losses exceeding those amounts were retained by the State. No excess insurance coverage is provided for workers' compensation, general and automotive liability, Federal Civil Rights, and employment action coverage; all losses in these categories are completely self-insured by the State through the State Risk Management Trust Fund established pursuant to Chapter 284, Florida Statutes. Payments on tort claims are limited to $200,000 per person, and $300,000 per occurrence as set by Section 768.28(5), Florida Statutes. Calculation of premiums considers the cash needs of the program and the amount of risk exposure for each participant. Settlements have not exceeded insurance coverage during the past three fiscal years.

Pursuant to Section 110.123, Florida Statutes, University employees may obtain healthcare services through participation in the State group health insurance plan or through membership in a health maintenance organization plan under contract with the State. The State's risk financing activities associated with State group health insurance, such as risk of loss related to medical and prescription drug claims, are administered through the State Employees Group Health Insurance Trust Fund. It is the practice of the State not to purchase commercial coverage for the risk of loss covered by this Fund. Additional information on the State's group health insurance

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plan, including the actuarial report, is available from the Florida Department of Management Services, Division of State Group Insurance.

University Self-Insurance Program. The Florida International University College of Medicine Self-Insurance Program was established pursuant to Section 1004.24, Florida Statutes, on June 18, 2009. The Self-Insurance Program provides professional and general liability protection for the Florida International University Board of Trustees for claims and actions arising from the clinical activities of the College of Medicine faculty, staff, and resident physicians. Liability protection is afforded to the students of the College. The Self-Insurance Program provides legislative claims bill protection.

The University is protected for losses that are subject to Section 768.28, Florida Statutes, to the extent of the waiver of sovereign immunity as described in Section 768.28(5), Florida Statutes. The Self-Insurance Program also provides: $1,000,000 per legislative claims bills inclusive of payments made pursuant to Section 768.28, Florida Statutes; $300,000 per occurrence of protection for the participants that are not subject to the provisions of Section 768.28, Florida Statutes; $300,000 per claim protection for participants who engage in approved community service and act as Good Samaritans; and student protections of $100,000 for a claim arising from an occurrence for any one person, $300,000 for all claims arising from an occurrence and professional liability required by a hospital or other health care facility for educational purposes not to exceed the per occurrence limit of $1,000,000.

The Self-Insurance Program's estimated liability for unpaid claims at fiscal year-end is the result of management and actuarial analysis and includes an amount for claims that have been incurred but not reported.

Changes in the balances of claims liability for the Self-Insurance Program during the 2012-13 and 2013-14 fiscal years are presented in the following table:

Fiscal Year Ended	Claims Liabilities Beginning of Year	Current Claims and Changes in Estimates	Claim Payments	Claims Liabilities End of Year
June 30, 2013	$ 212,798	$ (137,068)	$	$ 75,730
June 30, 2014	75,730	26,536	(22,436)	79,830

18. FUNCTIONAL DISTRIBUTION OF OPERATING EXPENSES

The functional classification of an operating expense (instruction, research, etc.) is assigned to a department based on the nature of the activity, which represents the material portion of the activity attributable to the department. For example, activities of academic departments for which the primary departmental function is instruction may include some activities other than direct instruction such as research and public service. However, when the primary mission of the department consists of instructional program elements, all expenses of the department are reported under the instruction classification. The operating expenses on the statement of revenues, expenses, and changes in net position are presented by natural classifications. The following are those same expenses presented in functional classifications as recommended by NACUBO:

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Functional Classification	Amount
Instruction	$ 265,190,190
Research	93,812,661
Public Services	9,821,691
Academic Support	103,729,416
Student Services	57,738,023
Institutional Support	72,308,438
Operation and Maintenance of Plant	48,145,546
Scholarships, Fellowships, and Waivers	93,660,910
Depreciation	41,449,494
Auxiliary Enterprises	62,286,783
Total Operating Expenses	**$ 848,143,152**

19. SEGMENT INFORMATION

A segment is defined as an identifiable activity (or grouping of activities) that has one or more bonds or other debt instruments outstanding with a revenue stream pledged in support of that debt. In addition, the activity's related revenues, expenses, gains, losses, assets, and liabilities are required to be accounted for separately. The following financial information for the University's Housing and Parking facilities represents identifiable activities for which one or more bonds are outstanding:

Condensed Statement of Net Position

	Housing Facility Capital Improvement Debt	Parking Facility Capital Improvement Debt
Assets		
Current Assets	$ 19,648,932	$ 11,125,002
Capital Assets, Net	128,255,995	86,797,139
Other Noncurrent Assets	759,323	23,848,903
Total Assets	148,664,250	121,771,044
Liabilities		
Current Liabilities	6,855,297	8,947,214
Noncurrent Liabilities	100,421,364	73,589,984
Total Liabilities	107,276,661	82,537,198
Net Position		
Net Investment in Capital Assets	21,344,563	25,193,175
Restricted - Expendable	5,579	3,247,613
Unrestricted	20,037,447	10,793,058
Total Net Position	$ 41,387,589	$ 39,233,846

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Condensed Statement of Revenues, Expenses, and Changes in Net Position

	Housing Facility Capital Improvement Debt	Parking Facility Capital Improvement Debt
Operating Revenues	$ 30,458,678	$ 15,536,338
Depreciation Expense	(3,757,137)	(2,058,449)
Other Operating Expenses	(17,706,486)	(7,805,563)
Operating Income	8,995,055	5,672,326
Nonoperating Revenues (Expenses):		
Nonoperating Revenue	579,942	1,190,974
Interest Expense	(4,120,826)	(3,682,916)
Other Nonoperating Expense	(1,560,518)	(1,670,296)
Net Nonoperating Expenses	(5,101,402)	(4,162,238)
Income Before Transfers	3,893,653	1,510,088
Net Transfers	(2,240,378)	(679)
Capital Grants		596,064
Increase in Net Position	1,653,275	2,105,473
Net Position, Beginning of Year	39,734,314	37,128,373
Net Position, End of Year	$ 41,387,589	$ 39,233,846

Condensed Statement of Cash Flows

	Housing Facility Capital Improvement Debt	Parking Facility Capital Improvement Debt
Net Cash Provided (Used) by:		
Operating Activities	$ 11,268,677	$ 7,608,466
Noncapital Financing Activities	626,932	
Capital and Related Financing Activities	(18,998,566)	13,006,071
Investing Activities	5,801,794	(20,947,488)
Net Decrease in Cash and Cash Equivalents	(1,301,163)	(332,951)
Cash and Cash Equivalents, Beginning of Year	1,918,080	485,777
Cash and Cash Equivalents, End of Year	$ 616,917	$ 152,826

20. DISCRETELY PRESENTED COMPONENT UNITS

The University has four component units. As discussed in note 1, the financial activities of the Research Foundation are not included in the discretely presented component units' columns of the financial statements. The remaining three discretely presented component units comprise 100 percent of the transactions and account balances of the aggregate discretely presented component units' columns of the financial statements. The following financial information is from the most recently available audited financial statements for the component units:

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Condensed Statement of Net Position

	Direct-Support Organizations				Total
	Florida International University Foundation, Inc.	Florida International University Research Foundation, Inc. (Note 1)	FIU Athletics Finance Corporation	Florida International University Academic Health Center Health Care Network Faculty Group Practice, Inc.	
Assets:					
Current Assets	$ 306,812,066	$	$ 3,472,121	$ 1,163,917	$ 311,448,104
Capital Assets, Net	16,290,009			1,498,333	17,788,342
Other Noncurrent Assets	97,652		27,931,888		28,029,540
Total Assets	323,199,727		31,404,009	2,662,250	357,265,986
Deferred Outflows of Resources			2,555,311		2,555,311
Liabilities:					
Current Liabilities	4,484,776		1,158,742	1,198,713	6,842,231
Noncurrent Liabilities	7,105,197		37,374,651	5,524,577	50,004,425
Total Liabilities	11,589,973		38,533,393	6,723,290	56,846,656
Net Position:					
Net Investment in Capital Assets	8,522,189				8,522,189
Restricted Nonexpendable	199,384,169				199,384,169
Restricted Expendable	75,751,823				75,751,823
Unrestricted	27,951,573		(4,574,073)	(4,061,040)	19,316,460
Total Net Position	$ 311,609,754	$	$ (4,574,073)	$ (4,061,040)	$ 302,974,641

Note: (1) As discussed in Note 1 this component unit is no longer reported.

FLORIDA INTERNATIONAL UNIVERSITY
A COMPONENT UNIT OF THE STATE OF FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

Condensed Statement of Revenues, Expenses, and Changes in Net Position

	Direct-Support Organizations				Total
	Florida International University Foundation, Inc.	Florida International University Research Foundation, Inc. (Note 1)	FIU Athletics Finance Corporation	Florida International University Academic Health Center Health Care Network Faculty Group Practice, Inc.	
Operating Revenues	$ 23,189,089	$	$ 3,602,778	$ 4,481,745	$ 31,273,612
Depreciation Expense	(535,272)			(186,513)	(721,785)
Other Operating Expenses	(26,643,415)		(2,287,002)	(7,121,486)	(36,051,903)
Operating Income (Loss)	(3,989,598)		1,315,776	(2,826,254)	(5,500,076)
Net Nonoperating Revenues (Expenses)					
Investment Income	37,479,244		(5,749)		37,473,495
Interest Expense			(1,579,690)	(99,645)	(1,679,335)
Net Nonoperating Revenues (Expenses)	37,479,244		(1,585,439)	(99,645)	35,794,160
Other Revenues, Expenses, Gains, or Losses				1,380,001	1,380,001
Increase (Decrease) in Net Position	33,489,646		(269,663)	(1,545,898)	31,674,085
Net Position, Beginning of Year	278,120,108	226,735	(4,304,410)	(2,515,142)	271,527,291
Adjustment to Beginning Net Position (1)		(226,735)			(226,735)
Net Position, Beginning of Year, As Restated	278,120,108		(4,304,410)	(2,515,142)	271,300,556
Net Position, End of Year	$ 311,609,754	$	$ (4,574,073)	$ (4,061,040)	$ 302,974,641

Note: (1) As discussed in Note 1 this component unit is no longer reported.

FLORIDA INTERNATIONAL UNIVERSITY
OTHER REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS –
OTHER POSTEMPLOYMENT BENEFITS PLAN

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (1) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
7/1/2009	$ -	$ 72,099,000	$ 72,099,000	0%	$ 239,559,653	30.1%
7/1/2011	-	101,015,000	101,015,000	0%	280,051,835	36.1%
7/1/2013	-	120,121,000	120,121,000	0%	332,597,433	36.1%

Note: (1) The entry-age cost actuarial method was used to calculate the actuarial accrued liability.

(2) The July, 1, 2013, unfunded actuarial accrued liability of $120,121,000 was higher than the July 1, 2011, liability of $101,015,000 primarily as a result of lower than expected increases in retiree contributions rates, an implicit subsidy resulting from less than the full cost of coverage now being paid by participants in four HMO plans, changes in demographic data and assumptions, and certain trend assumptions.

AUDITOR GENERAL
STATE OF FLORIDA

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AUDITOR GENERAL

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The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Report on the Financial Statements

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Florida International University, a component unit of the State of Florida, and its aggregate discretely presented component units as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated March 4, 2015, included under the heading **INDEPENDENT AUDITOR'S REPORT**. Our report includes a reference to other auditors who audited the financial statements of the aggregate discretely presented component units, as described in our report on the University's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) to determine audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the University's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of the **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*** is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

David W. Martin, CPA
Tallahassee, Florida
March 4, 2015

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Florida International University

Housing System

Financial Statements

For the Fiscal Years Ended
June 30, 2014 and 2013

Unaudited

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Management's Discussion and Analysis

The management's discussion and analysis (MD&A) introduces the Florida International University's Housing System Annual Financial Statements and provides an overview of the Housing System financial activities during the fiscal year ended June 30, 2014, and should be read in conjunction with the financial statements and notes hereto. This overview is required by the Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements-and Management's Discussion and Analysis-for Public Colleges and Universities*, as amended by GASB Statements Nos. 37 and 38. The MD&A, and financial statements and notes hereto, are the responsibility of University Management. The MD&A contains financial activity of the University's Housing System for the fiscal years ended June 30, 2014, and June 30, 2013.

FINANCIAL HIGHLIGHTS

The Housing System's assets totaled $148.7 million at June 30, 2014. This amount is reported net of accumulated depreciation of $31.3 million. Overall total assets decreased $11 million or 6.9 percent as compared to the 2012-13 fiscal year, primarily due to the use of restricted investments to pay construction costs to complete the new housing facility. Also contributing to the decrease was the removal of one housing facility from Housing System operations.

Total liabilities were $107.3 million at June 30, 2014, compared to $120 million at June 30, 2013. The decrease of $12.7 million or 10.6 percent is primarily attributed to reduced accounts and construction contracts payable for payments made to complete the new housing facility. Additionally, principal payments made for capital improvement debt also contributed to the decrease.

The Housing System's total net position of $41.4 million at the end of the year represents an increase of $1.7 million or 4.3 percent from the total beginning net position of $39.7 million. The total net position consisted of $21.3 million of net investment in capital assets, $20 million unrestricted and $0.1 million restricted, expendable for debt service and capital projects.

THE STATEMENT OF NET POSITION

The statement of net position reflects the assets and liabilities of the Housing System, using the accrual basis of accounting, and presents the financial position of the Housing System at a specified time. The difference between total assets and total liabilities, net position, is one indicator of the Housing System's current financial condition. The changes in net position that occur over time indicate improvement or deterioration in the Housing System's financial condition.

Management's Discussion and Analysis

The following summarizes the Housing System's assets, liabilities, and net position at June 30:

Condensed Statements of Net Position at June 30
(In Millions)

	2014	2013
Assets		
Current Assets	$ 19.6	$ 21.7
Capital Assets, Net	128.3	130.5
Other Noncurrent Assets	0.8	7.5
Total Assets	148.7	159.7
Liabilities		
Current Liabilities	6.9	13.8
Noncurrent Liabilities	100.4	106.2
Total Liabilities	107.3	120.0
Net Position		
Net Investment in Capital Assets	21.3	13.4
Restricted	0.1	2.4
Unrestricted	20.0	23.9
Total Net Position	$ 41.4	$ 39.7

THE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The statement of revenues, expenses, and changes in net position presents the Housing System's revenues and expense activity, categorized as operating and nonoperating. Revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid.

The following summarizes the Housing System's activity for the 2013-14 and 2012-13 fiscal years:

Condensed Statements of Revenues, Expenses, and Changes in Net Position

For the Fiscal Years

(In Millions)

	2013-14	2012-13
Operating Revenues	$ 30.5	$ 26.0
Less, Operating Expenses	21.5	19.5
Operating Income	9.0	6.5
Net Nonoperating Expenses	(5.1)	(3.9)
Income Before Other Revenues, Expenses, Gains, or Losses	3.9	2.6
Other Revenues, Expenses, Gains, or Losses	(2.2)	(0.4)
Increase in Net Position	1.7	2.2
Net Position, Beginning of Year	39.7	37.5
Net Position, End of Year	$ 41.4	$ 39.7

Operating Revenues

GASB Statement No. 35 categorizes revenues as either operating or nonoperating. Operating revenues generally result from exchange transactions where each of the parties to the transaction either give up or receive something of equal or similar value.

The following summarizes the operating revenues by source that were used to fund operating activities for the 2013-14 and 2012-13 fiscal years:

Operating Revenues
For the Fiscal Years
(In Millions)

	2013-14	2012-13
Housing System Rental and Other Fees	$ 30.5	$ 26.0

The operations of the Housing System depend primarily on revenues collected from room rentals, conference rental fees, concession revenues (laundry and vending activity), processing fees and interest income that provide additional revenue. Net revenues of the Housing System are the primary source of pledged revenues for the outstanding debt issuances. Operating revenues totaled $30.5 million for the fiscal year 2013-14, reflecting a 17.3 percent increase over fiscal year 2012-13. The increase of approximately $4.5 million resulted from revenue generated from the new housing facility. .

Operating Expenses

Expenses are categorized as operating or nonoperating. The majority of the Housing System expenses are operating expenses as defined by GASB Statement No. 35. GASB gives financial reporting entities the choice of reporting operating expenses in the functional or natural classifications. The Housing System has chosen to report the expenses in their natural classification on the statement of revenues, expenses, and changes in net position.

The following summarizes the operating expenses by natural classifications for the 2013-14 and 2012-13 fiscal years:

Operating Expenses

For the Fiscal Years

(In Millions)

	2013-14	2012-13
Compensation and Employee Benefits	$ 4.9	$ 4.6
Services and Supplies	10.2	9.9
Utilities and Communications	2.6	2.2
Depreciation	3.8	2.8
Total Operating Expenses	$ 21.5	$ 19.5

Operating expenses totaled $21.5 million, representing an increase of $2 million from the 2012-13 fiscal year. The increase in operating expenses is attributed to higher operating costs resulting from the new housing facility. Operating expenses include depreciation expense of $3.8 million.

Nonoperating Revenues and Expenses

Nonoperating revenues and expenses reported during fiscal year 2013-14 consist of investment income, interest expense and adjustments to the fair value of investments. The fluctuation in nonoperating revenues and expenses is mainly attributable to interest on asset related debt, realized investment income and adjustments to fair market value of investments

THE STATEMENT OF CASH FLOWS

The statement of cash flows provides information about the Housing System's financial results by reporting the major sources and uses of cash and cash equivalents. This statement will assist in evaluating the Housing System's ability to generate net cash flows, its ability to meet its financial obligations as they come due, and its need for external financing. Cash flows from operating activities show the net cash used by the operating activities of the Housing System. Cash flows from capital financing activities include all plant funds and related long-term debt activities. Cash flows from investing activities show the net source and use of cash related to purchasing or selling investments, and earning income on those investments. Cash flows from noncapital financing activities include those activities not covered in other sections.

The following summarizes cash flows for the 2013-14 and 2012-13 fiscal years:

Condensed Statements of Cash Flows
For the Fiscal Years
(In Millions)

	2013-14	2012-13
Cash Provided (Used) by:		
Operating Activities	$ 11.3	$ 10.6
Noncapital Financing Activities	0.6	
Capital and Related Financing Activities	(19.0)	(51.2)
Investing Activities	5.8	41.8
Net Increase (Decrease) in Cash and Cash Equivalents	(1.3)	1.2
Cash and Cash Equivalents, Beginning of Year	1.9	0.7
Cash and Cash Equivalents, End of Year	$ 0.6	$ 1.9

Major sources of funds came from Housing System operations ($29,605,833). Major uses of funds were payments to suppliers ($13,806,181), purchases of capital assets ($9,302,477), payments for principal on capital improvement debt payable ($5,175,000), payments made to and on behalf of employees ($4,911,740), and payments for interest on capital improvement debt payable ($4,521,089).

CAPITAL ASSETS

At June 30, 2014 the Housing System had $159.6 million in capital assets, less accumulated depreciation of $31.3 million, for net capital assets of $128.3. Depreciation charges for the current fiscal year totaled $3.8 million.

Capital Assets, Net at June 30

(In Millions)

	2014	2013
Construction in Progress	7.6	53.8
Buildings	120.4	76.6
Furniture and Equipment	0.3	0.2
Capital Assets, Net	$ 128.3	$ 130.6

DEBT ADMINISTRATION

As of June 30, 2014 the Housing System had $106 million in outstanding capital improvement debt payable.

The following table summarizes the outstanding long-term debt by type for the fiscal years ended June 30, 2014 and June 30, 2013:

Long-Term Debt, at June 30

(In Millions)

	2014	2013
Capital Improvement Debt	$ 106.0	$ 111.6

The Housing System is committed to improving student life on campus by increasing housing facilities and upgrading existing facilities to meet student needs. Parkview Housing increased the Housing System's capacity by 596 occupants.

REQUESTS FOR INFORMATION

Questions concerning information provided in the MD&A, and financial statements and notes thereto, or requests for additional financial information should be addressed to the Chief Financial Officer and Senior Vice President for Finance and Administration, Dr. Kenneth Jessell, at Florida International University, 11200 Southwest 8th Street, Miami, Florida 33199.

Basic Financial Statements
Florida International University
Housing System
Statements of Net Position (Unaudited)
June 30, 2014 and 2013

	2014	2013
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 611,338	$ 1,912,382
Investments	18,318,877	18,638,984
Accounts Receivable, Net	717,737	1,096,155
Interest Receivable	980	3,327
Deferred Charges	-	79,239
Total Current Assets	19,648,932	21,730,087
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	5,579	5,698
Restricted Investments	753,744	5,982,421
Furniture and Equipment	1,147,736	1,011,539
Buildings	150,823,759	109,023,010
Construction in Progress	7,626,959	53,814,219
Accumulated Depreciation	(31,342,459)	(33,328,384)
Other Noncurrent Assets	-	1,481,278
Total Noncurrent Assets	129,015,318	137,989,781
Total Assets	148,664,250	159,719,868
LIABILITIES		
Current Liabilities:		
Accounts Payable	324,959	1,356,458
Construction Contracts Payable	633,695	5,903,047
Salaries and Wages Payable	77,479	60,584
Deferred Revenue	-	852,845
Long-Term Liabilities - Current Portion		
Capital Improvement Debt Payable	5,801,612	5,575,263
Compensated Absences Payable	17,552	16,446
Total Current Liabilities	6,855,297	13,764,643
Noncurrent Liabilities:		
Capital Improvement Debt Payable	100,203,198	106,004,808
Compensated Absences Payable	218,166	216,103
Total Noncurrent Liabilities	100,421,364	106,220,911
Total Liabilities	107,276,661	119,985,554
NET POSITION		
Net Investment in Capital Assets	21,344,563	13,444,242
Restricted for Nonexpendable		
Debt service	5,579	5,698
Capital Projects	-	2,340,934
Unrestricted	20,037,447	23,943,440
TOTAL NET POSITION	$ 41,387,589	$ 39,734,314

The accompanying notes are an integral part of the financial statements.

Florida International University
Housing System
Statements of Revenues, Expenses, and Changes in Net Position (Unaudited)
For the Fiscal Years Ended June 30, 2014 and 2013

	2014	2013
REVENUES		
Operating Revenues:		
Housing System Rental and Other Fees	$ 30,458,678	$ 25,976,149
Total Operating Revenues	30,458,678	25,976,149
EXPENSES		
Operating Expenses		
Compensation and Employee Benefits	4,931,804	4,624,058
Services and Supplies	10,157,077	9,887,278
Utilities and Communications	2,617,605	2,145,634
Depreciation	3,757,137	2,818,898
Total Operating Expenses	21,463,623	19,475,868
Operating Income	8,995,055	6,500,281
NONOPERATING REVENUES (EXPENSES)		
Investment Income	253,010	449,066
Other Nonoperating Revenues	326,932	-
Interest on Capital Asset-Related Debt	(4,120,826)	(4,308,432)
Other Nonoperating Expenses	(1,560,518)	(79,239)
Net Nonoperating Expenses	(5,101,402)	(3,938,605)
Income Before Other Revenues, Expenses, Gains, or Losses	3,893,653	2,561,676
Transfers (Out) In	(2,240,378)	(372,086)
Increase in Net Position	1,653,275	2,189,590
Net Position, Beginning of Year	39,734,314	37,544,724
Net Position, End of Year	$ 41,387,589	$ 39,734,314

The accompanying notes are an integral part of the financial statements.

Florida International University
Housing System
Statements of Cash Flows (Unaudited)
For the Fiscal Years Ended June 30, 2014 and 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Sales and Services of Housing System	$ 29,605,833	$ 26,027,079
Changes in Other Accounts Receivable	380,765	(50,061)
Payments to Employees	(4,911,740)	(4,605,392)
Payments to Suppliers for Goods and Services	(13,806,181)	(10,766,784)
Net Cash Provided by Operating Activities	11,268,677	10,604,842
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Advances from Other Funds	626,932	-
Net Cash Provided by Noncapital Financing Activities	626,932	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase or Construction of Capital Assets	(9,302,477)	(42,570,256)
Principal Paid on Capital Debt and Leases	(5,175,000)	(3,975,000)
Interest Paid on Capital Debt and Leases	(4,521,089)	(4,691,438)
Net Cash Used by Capital and Related Financing Activities	(18,998,566)	(51,236,694)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Change in Investments	5,788,593	41,443,402
Investment Income	13,201	449,066
Net Cash Provided by Investing Activities	5,801,794	41,892,468
Net (Decrease) Increase in Cash and Cash Equivalents	(1,301,163)	1,260,616
Cash and Cash Equivalents, Beginning of Year	1,918,080	657,464
Cash and Cash Equivalents, End of Year	$ 616,917	$ 1,918,080
RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Income	$ 8,995,055	$ 6,500,281
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation Expense	3,757,137	2,818,898
Change in Assets and Liabilities		
Accounts Receivable, Net	380,765	(50,061)
Accounts Payable	(1,031,499)	1,266,128
Accrued Salaries and Wages	16,895	8,888
Deferred Revenues	(852,845)	50,930
Accrued Compensated Absences Current & Noncurrent	3,169	9,778
Net Cash Provided by Operating Activities	$ 11,268,677	$ 10,604,842
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND CAPITAL FINANCING ACTIVITIES		
Unrealized (losses)/gains on investments were recognized as a reduction to investment income on the statement of revenues, expenses, and changes in net assets, but are not cash transactions for the statement of cash flows.	$ 239,809	$ (146,987)

The accompanying notes are an integral part of the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity. The financial statements of the Housing System are an integral part of the financial statements of Florida International University (the University). The University is a part of the State University System and accordingly, the University is governed, regulated, and coordinated by the Florida Board of Governors and the University's Board of Trustees.

Basis of Presentation. The Housing System's accounting policies conform with accounting principles generally accepted in the United States of America applicable to public colleges and universities as prescribed by GASB. The National Association of College and University Business Officers (NACUBO) also provides the University with recommendations prescribed in accordance with generally accepted accounting principles promulgated by GASB. GASB allows public universities various reporting options. The Housing System has elected to report as an entity engaged in only business-type activities. This election requires the adoption of the accrual basis of accounting and entitywide reporting including the following components:

- Management's Discussion and Analysis
- Basic Financial Statements:
  - Statement of Net Position
  - Statement of Revenues, Expenses, and Changes in Net Position
  - Statement of Cash Flows
  - Notes to Financial Statements

Basis of Accounting. Basis of accounting refers to when revenues, expenses, and related assets, deferred outflows of resources, liabilities, and deferred inflows of resources, are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the measurement focus applied. The Housing System's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange activities are generally recognized when all applicable eligibility requirements, including time requirements, are met. The University and the Housing System follow GASB standards of accounting and financial reporting.

The statement of net position is presented in a classified format to distinguish between current and noncurrent assets and liabilities. When both restricted and unrestricted resources are available to fund certain programs, it is the Housing System's policy to first apply the restricted resources to such programs, followed by the use of the unrestricted resources.

The statement of cash flows is presented using the direct method in compliance with GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting.*

1. Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents. Cash and cash equivalents consist of cash on hand and cash in demand accounts. University cash deposits are held in banks qualified as public depositories under Florida law. All such deposits are insured by Federal depository insurance, up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool required by Chapter 280, Florida Statutes. Cash and cash equivalents that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other restricted assets, are classified as restricted.

Capital Assets. The Housing System's capital assets consist of buildings, infrastructure and improvements, furniture and equipment and construction in progress. These assets are capitalized and recorded at cost at the date of acquisition. Additions, improvements, and other outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The University has a capitalization threshold of $5,000 for tangible personal property and $50,000 for buildings, leasehold improvements and other improvements. Depreciation is computed on the straight-line basis over the following estimated useful lives:

- Buildings – 20 to 50 years
- Furniture and Equipment – 3 to 20 years

Noncurrent Liabilities. Noncurrent liabilities include capital improvement debt payable and compensated absences payable. Capital improvement debt is reported net of unamortized premium or discount and deferred losses on refunding. The University amortizes debt premiums and discounts over the life of the debt using the straight-line method. Deferred losses on refundings are amortized over the life of the old debt or new debt (whichever is shorter) using the straight-line method. The University implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, accordingly, debt issuance costs previously reported as deferred charges have been expensed during the current year.

2. INVESTMENTS

Investments for the Housing System are reported at the market value of $19,072,621 and $24,621,405 at June 30, 2014 and 2013, respectively.

Section 1011.42(5), Florida Statues, authorizes universities to invest funds with the State Treasury and State Board of Administration (SBA), and requires that universities comply with the statutory requirements governing investment of public funds by local governments. Accordingly, universities are subject to the requirements of Chapter 218, Part IV, Florida Statutes. The University Board of Trustees has adopted a written investment policy providing that surplus funds of the University shall be invested in those institutions and instruments permitted under provisions of Florida Statutes. Pursuant to Section 218.415(16), Florida Statutes, the University is authorized to invest in the Florida PRIME investment pool administered by the SBA; interest-bearing time deposits and savings accounts in qualified public depositories, as defined in Section 280.02, Florida Statutes; direct obligations of the United States Treasury; obligations of Federal agencies and instrumentalities; securities of, or interests in, certain open-end or closed-end management type investment companies; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; and other investments approved by the University Board of Trustees as authorized by law. Investments set aside to make debit service payments, maintain sinking or reserve funds, or to purchase or construct capital assets are classified as restricted.

2. INVESTMENTS (Continued)

The Housing System's investments at June 30, 2014, are reported at fair value, as following:

Investment Type	2014	2013
External Investment Pool - State Treasury Special Purpose Investment Account	$ 19,072,621	$ 21,737,388
Money Market Mutual Funds		2,884,017
Total Housing System Investments	$ 19,072,621	$ 24,621,405

State Treasury Special Purpose Investment Account

The University reported investments at fair value totaling $19,072,621 and $21,737,388 at June 30, 2014 and 2013, respectively, in the State Treasury Special Purpose Investment Account (SPIA) investment pool, representing ownership of a share of the pool, not the underlying securities. The SPIA carried a credit rating of A+f by Standard & Poor's at June 30, 2014 and 2013. The SPIA had effective durations of 2.57 years and 2.65 years, and had fair value factors of 1.0074 and 0.9975 at June 30, 2014 and 2013, respectively. The University relies on policies developed by the State Treasury for managing interest rate credit risk for this investment pool. Disclosures for the State Treasury investment pool are included in the notes to the financial statements of the State's Comprehensive Annual Financial Report.

3. RECEIVABLES

Accounts Receivable. Accounts receivable represents amounts due from students for rental of dormitories and auxiliary services provided. The Housing System's accounts receivable totaled $1,721,414 and $2,234,951 at June 30, 2014 and 2013, respectively.

Allowance for Doubtful Receivables. Allowances for doubtful accounts are reported based on management's best estimate as of fiscal year-end considering type, age, collection history, and other factors considered appropriate. The Housing System's accounts receivable are reported net of allowances of $1,003,677 and $1,138,796, respectively, at June 30, 2014 and 2013, respectively.

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014, is shown below:

Description	Beginning Balance	Additions	Reductions	Ending Balance
Nondepreciable Capital Assets:				
Construction in Progress	$ 53,814,219	$ 4,292,807	$ 50,480,067	$ 7,626,959
Depreciable Capital Assets:				
Buildings	$ 109,023,010	$ 50,073,618	$ 8,272,869	$ 150,823,759
Furniture and Equipment	1,011,539	181,863	45,666	1,147,736
Total Depreciable Capital Assets	110,034,549	50,255,481	8,318,535	151,971,495
Less, Accumulated Depreciation:				
Buildings	32,468,092	3,707,324	5,736,009	30,439,407
Furniture and Equipment	860,292	54,069	11,309	903,052
Total Accumulated Depreciation	33,328,384	3,761,393	5,747,318	31,342,459
Total Depreciable Capital Assets, Net	$ 76,706,165	$ 46,494,088	$ 2,571,217	$ 120,629,036

5. LONG-TERM LIABILITIES

Long-term liabilities of the Housing System at June 30, 2014, include capital improvement debt payable and compensated absences payable.

Capital Improvement Debt Payable.

The University issued, through the Division of Bond Finance, capital improvement debt payable totaling $129,780,000 from the 2004A, 2011A and 2012A capital investment debt payable series amounting to $53,915,000, $22,210,000 and $53,655,000, respectively. The purpose of this capital investment debt payable is to finance the construction of dormitories on the Modesto A. Maidique campus. The capital improvement debt payable is secured by the revenues of the Housing System and may additionally be secured by other revenues that are deemed to be necessary and legally available.

The State Board of Administration administers the principal and interest payments, investment of sinking fund resources, and compliance with reserve requirements.

The Housing System had the following capital improvement debt payable outstanding at June 30, 2014:

Capital Improvement Debt Type and Series	Amount of Original Debt	Amount Outstanding (1)	Interest Rates (Percent)	Maturity Date To
2004A Student Apartments	$ 53,915,000	$ 32,661,690	4.00 - 5.00	2034
2011 Student Apartments Refunding	22,210,000	20,227,484	3.00 - 5.00	2025
2012 Student Apartments	53,655,000	53,115,636	3.00 - 4.25	2041
Total	129,780,000	106,004,810		

Note: (1) Amount outstanding includes unamortized discounts and premiums, and deferred losses on refunding issues.

The University has pledged a portion of future housing rental revenues to repay $129,780,000 of capital improvement revenue bonds issued by the Florida Board of Governors on behalf of the University. Proceeds from the bonds provided financing to construct student housing facilities. The bonds are payable solely from housing rental income and are payable through 2041. The University has committed to appropriate each year from the housing rental income amounts sufficient to cover the principal and interest requirements on the debt. Total principal and interest remaining on the debt is $159,886,174, and principal and interest paid for the current year totaled $5,575,263.

5. LONG-TERM LIABILITIES (Continued)

Annual requirements to amortize all capital improvement debt outstanding as of June 30, 2014, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2015	$ 5,390,000	$ 4,312,238	$ 9,702,238
2016	5,615,000	4,079,038	9,694,038
2017	3,785,000	3,835,737	7,620,737
2018	3,940,000	3,679,187	7,619,187
2019	4,115,000	3,504,488	7,619,488
2020-2024	23,105,000	14,986,325	38,091,325
2025-2029	22,525,000	10,373,769	32,898,769
2030-2034	19,305,000	6,111,794	25,416,794
2035-2039	11,665,000	2,653,475	14,318,475
2040-2041	5,380,000	345,313	5,725,313
Subtotal	104,825,000	53,881,364	158,706,364
Plus: Net Bond Discounts, Premiums, and Losses on Bond Refundings	1,179,810	-	1,179,810
Total	$ 106,004,810	$ 53,881,364	$ 159,886,174

Compensated Absences Payable.

Employees earn the right to be compensated during absences for annual leave (vacation) and sick leave earned pursuant to Board of Governors regulations, University regulations, and bargaining agreements. Leave earned is accrued to the credit of the employee and records are kept on each employee's unpaid (unused) leave balance. The University reports a liability for the accrued leave; however, State noncapital appropriations fund only the portion of accrued leave that is used or paid in the current fiscal year. Although the University expects the liability to be funded primarily from future appropriations, generally accepted accounting principles do not permit the recording of a receivable in anticipation of future appropriations. The Housing System's estimated liability for compensated absences, which includes the Housing System's share of the Florida Retirement System and FICA contributions, was $235,718 and $232,549 at June 30, 2014 and 2013, respectively. The current portion of the compensated absences liability is based on the amount expected to be paid in the coming fiscal year and represents a historical percentage of leave used applied to total accrued liability leave.

APPENDIX J

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered by the Board of Governors (the "Board"), Florida International University (the "University") and the Division of Bond Finance of the State Board of Administration of Florida (the "Division") in connection with the issuance of $29,105,000 State of Florida, Board of Governors, Florida International University Dormitory Revenue Refunding Bonds, Series 2015A (the "Bonds"). This Disclosure Agreement is being executed and delivered pursuant to Section 5.03 of the resolution adopted by the Governor and Cabinet, as the Governing Board of the Division, on March 10, 2015, authorizing the issuance and sale of the Bonds (the "Resolution"). The Board, the University and the Division covenant and agree as follows:

SECTION 1. PURPOSE OF THE DISCLOSURE AGREEMENT. This Disclosure Agreement is being executed and delivered by the Board, the University and the Division for the benefit of the Registered Owners and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission (the "SEC"). It shall inure solely to the benefit of the Board, the University, the Division, the Registered Owners, the Beneficial Owners and the Participating Underwriters.

SECTION 2. DEFINITIONS. In addition to the definitions set forth in the Resolution and the Original Resolution adopted by the Governing Board of the Division on June 9, 1998, as amended and supplemented on September 23, 1998, which apply to any capitalized term used in this Disclosure Agreement, the following capitalized terms shall have the following meanings:

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

SECTION 3. CONTINUING DISCLOSURE. (A) Information To Be Provided. The Board and the University assume all responsibilities for any continuing disclosure as described below. In order to comply with the Rule, the Board and the University hereby agrees to provide or cause to be provided the information set forth below, or such other information as may be required, from time to time, to be provided by the Rule or the Division. The Division will be responsible for the filing of the information required by the Rule.

(1) Financial Information and Operating Data. For fiscal years ending on June 30, 2015 and thereafter, annual financial information and operating data shall be provided within nine months after the end of the State's fiscal year. Such information shall include:

(a) Housing System Occupancy Statistics;
(b) Housing System Rental Rates;
(c) Housing System Collection Rates;
(d) Housing System Financial Statements
(Summary of Revenues and Expenditures and Balance Sheet Summary);
(e) Debt Service Coverage;
(f) Investment of Funds;
(g) University Financial Statements; and
(h) Litigation.

(2) Audited Financial Statements. If not submitted as part of the annual financial information, a copy of the University's audited financial statements, prepared in accordance with generally accepted accounting principles, will be provided when and if available.

(3) Material Events Notices. Notice of the following events relating to the Bonds will be provided in a timely manner not in excess of ten business days after the occurrence of the event:

(a) principal and interest payment delinquencies;
(b) non-payment related defaults, if material;
(c) unscheduled draws on debt-service reserves reflecting financial difficulties;
(d) unscheduled draws on credit enhancements reflecting financial difficulties;
(e) substitution of credit or liquidity providers, or their failure to perform;
(f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
(g) modifications to rights of security holders, if material;
(h) bond calls, if material, and tender offers;
(i) defeasances;
(j) release, substitution or sale of property securing repayment of the securities, if material;
(k) rating changes;
(l) bankruptcy, insolvency, receivership or similar event of the obligated person;
(m) the consummation of merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
(n) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(4) Failure to Provide Annual Financial Information; Remedies.

(a) Notice of the failure of the Board or the University to provide the information required by paragraphs (A) (1) or (A)(2) of this Section will be provided in a timely manner.

(b) The Board and the University acknowledge that their undertaking pursuant to the Rule set forth in this Section is for the benefit of the Beneficial Owners and Registered Owners of the Bonds and shall be enforceable only by such Beneficial Owners and Registered Owners; provided that the right to enforce the provisions of such undertaking shall be conditioned upon the same enforcement restrictions as are applicable to the information undertakings in the Resolution and shall be limited to a right to obtain specific enforcement of the Board's and the University's obligations hereunder.

(B) Methods of Providing Information.

(1) (a) Annual financial information and operating data described in paragraph 3(A)(1) and the audited financial statements described in paragraph 3(A)(2) shall be transmitted to the Municipal Securities Rulemaking Board (hereafter "MSRB") using the MSRB's Electronic Municipal Market Access System ("EMMA") or by such other method as may be subsequently determined by the MSRB.

(b) Material event notices described in paragraph 3(A)(3) and notices described in paragraph 3(A)(4) shall also be transmitted to the MSRB using EMMA or by such other method as may be subsequently determined by the MSRB.

(2) (a) Information shall be provided to the MSRB in an electronic format as prescribed by the MSRB, either directly, or indirectly through an indenture trustee or a designated agent.

(b) All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(C) If this Disclosure Agreement is amended to change the operating data or financial information to be disclosed, the annual financial information containing amended operating data or financial information will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

(D) The Board and the University's obligations hereunder shall continue until such time as the Bonds are no longer Outstanding or until the Board and the University shall otherwise no longer remain obligated on the Bonds.

(E) This Disclosure Agreement may be amended or modified so long as:

(1) any such amendments are not violative of any rule or regulation of the SEC or MSRB, or other federal or state regulatory body;

(2) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person, or type of business conducted;

(3) this Disclosure Agreement, as amended, would have complied with the requirements of Rule 15c2-12 of the SEC at the time of the primary offering, after taking into account any amendments or interpretations of the rule, as well as any change in circumstances; and

(4) the amendment does not materially impair the interests of Beneficial Owners or Registered Owners, as determined either by parties unaffiliated with the issuer or obligated person (such as bond counsel), or by approving vote of the Beneficial Owners and Registered Owners pursuant to the terms of the Resolution at the time of the amendment.

SECTION 4. ADDITIONAL INFORMATION. If, when submitting any information required by this Disclosure Agreement, the Board or the University chooses to include additional information not specifically required by this Disclosure Agreement, neither the Board nor the University shall have any obligation under this Disclosure Agreement to update such information or include it in any such future submission.

Dated this ____ day of _______________, 2015.

Florida Board of Governors	Division of Bond Finance
By____________________________ Chair	By ______________________________ Assistant Secretary

Florida International University

By_______________________
President

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[FORM OF BOND COUNSEL OPINION]
July 21, 2015

Board of Governors
Tallahassee, Florida

Division of Bond Finance of the
State Board of Administration of Florida
Tallahassee, Florida

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the Board of Governors, (the "Board"), the Division of Bond Finance of the State Board of Administration of Florida (the "Division of Bond Finance"), the State Board of Administration of the State of Florida, applicable provisions of the Constitution and laws of the State of Florida, and other proofs submitted to us relative to the issuance and sale of:

$29,105,000
STATE OF FLORIDA
BOARD OF GOVERNORS
FLORIDA INTERNATIONAL UNIVERSITY
DORMITORY REVENUE REFUNDING BONDS
SERIES 2015A
Dated July 21, 2015
(the "Bonds")

The Bonds are being issued by the Division of Bond Finance in the name of and on behalf of the Board for the purpose of refunding the outstanding State of Florida, Florida Education System, Florida International University Housing Facility Revenue Bonds, Series 2004A (the "Refunded Bonds") and paying certain costs associated with the issuance of the Bonds, under the authority of and in full compliance with the Constitution and statutes of the State of Florida, including particularly Sections 215.57-215.83, Florida Statutes, Section 1010.62, Florida Statutes and other applicable provisions of law. The principal of, premium, if any, and interest on the Bonds will be secured by and payable solely from a pledge of the Pledged Revenues (as defined in the hereinafter defined Resolution) on a parity with the Outstanding Parity Bonds (as defined in the hereinafter defined Resolution).

The Bonds do not constitute a general obligation of the State of Florida or any political subdivision thereof within the meaning of any constitutional, statutory or other limitation of indebtedness and the owners thereof shall never have the right to compel the exercise of any ad valorem taxing power or taxation in any form for the payment of the principal of or interest on the Bonds.

Based on our examination, we are of the opinion, as of the date hereof, as follows:

1. That such proceedings and proofs show lawful authority for issuance and sale of the Bonds pursuant to the Constitution and statutes of the State of Florida and pursuant to resolutions authorizing the issuance and sale of the Bonds duly adopted by the Governing Board of the Division of Bond Finance on June 9, 1998, as amended and supplemented on September 23, 1998, August 10, 2004, September 20, 2011 and March 20, 2012 and supplemented on March 10, 2015 (collectively, the "Resolution").

2. The Bonds (i) have been duly authorized, executed and delivered by the Division of Bond Finance and the Board and (ii) are valid and binding special obligations of the Board enforceable in accordance with their terms, payable solely from the sources provided therefor in the Resolution.

3. The Bonds and the income thereon are not subject to any State tax except estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended.

4. The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements which must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the Bonds to be included in federal gross income retroactive to the date of issuance of the Bonds, regardless of the date on which such non-compliance occurs or is ascertained. The Division of Bond Finance and the Board have covenanted in the Resolution to comply with such requirements in order to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

Subject to compliance by the Division of Bond Finance and the Board with the aforementioned covenants, (a) interest on the Bonds is excluded from gross income for purposes of federal income taxation, and (b) interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Bonds will be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations. We express no opinion regarding other federal tax consequences caused by the ownership of or the receipt of interest on or the disposition of the Bonds.

It is to be understood that the rights of the owners of the Bonds and the enforceability thereof may be subject to the exercise of judicial discretion in accordance with general principles of equity, to the valid exercise of the sovereign police powers of the State of Florida and of the constitutional powers of the United States of America and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.

In rendering the foregoing opinions, we have assumed the accuracy and truthfulness of all public records and of all certifications, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities and have not independently verified the accuracy or truthfulness thereof and the genuineness of the signatures appearing upon such public records, certifications, documents and proceedings.

Our opinions expressed herein are predicated upon present law, facts and circumstances as of the date of issuance and delivery of the Bonds, and we assume no affirmative obligation to update the opinions expressed herein if such laws, facts or circumstances change after such date.

As Bond Counsel, we have not been engaged nor have we, in such capacity, undertaken to review the accuracy, completeness or sufficiency of any offering material relating to the Bonds and we express no opinion herein relating thereto.

Respectfully submitted,

BRYANT MILLER OLIVE P.A.

APPENDIX L

PROVISIONS FOR BOOK-ENTRY ONLY SYSTEM OR REGISTERED BONDS

The Depository Trust Company and Book-Entry Only System

THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE DIVISION OF BOND FINANCE BELIEVES TO BE RELIABLE; HOWEVER, THE DIVISION OF BOND FINANCE TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

DTC will act as securities depository for the 2015A Bonds. The 2015A Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the 2015A Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities and Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and together with Direct Participants, the "Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at **www.dtcc.com** and **www.dtc.org**.

Purchases of the 2015A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2015A Bonds on DTC's records. The ownership interest of each actual purchaser of each 2015A Bond (a "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which such Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2015A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2015A Bonds, except in the event that use of the book-entry system is discontinued.

To facilitate subsequent transfers, all 2015A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2015A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in Beneficial Ownership. DTC has no knowledge of the actual Beneficial Owners of the 2015A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2015A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2015A Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the 2015A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2015A Bond documents. For example, Beneficial Owners of 2015A Bonds may wish to ascertain that the nominee holding the 2015A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners.

Redemption notices shall be sent to DTC. If less than all of the 2015A Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2015A Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Division of Bond Finance as soon as practicable after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2015A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the 2015A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the Bond Registrar/Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, (nor its nominee), the Bond Registrar/Paying Agent, the Division of Bond Finance, or the Board of Governors, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Bond Registrar/Paying Agent; disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services with respect to the 2015A Bonds at any time by giving reasonable notice to the Division of Bond Finance or Bond Registrar/Paying Agent and discharging its responsibilities with respect thereto under applicable law. The Division of Bond Finance may decide to discontinue use of the system of book-entry transfers for the 2015A Bonds through DTC (or a successor securities depository). Under such circumstances, in the event that a successor securities depository is not obtained, certificates for the 2015A Bonds will be printed and delivered as provided in the documents authorizing the issuance and sale of the 2015A Bonds.

For every transfer and exchange of beneficial interests in the 2015A Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other government charge that may be imposed in relation thereto.

So long as Cede & Co., as nominee of DTC, is the registered owner of the 2015A Bonds, references herein to the Registered Owners or Holders of the 2015A Bonds shall mean Cede & Co. and not mean the Beneficial Owners of the 2015A Bonds unless the context requires otherwise.

The Division of Bond Finance, the Board of Governors and the Bond Registrar/Paying Agent will not have any responsibility or obligation with respect to:

(i) the accuracy of the records of DTC, its nominee or any DTC Participant or any successor securities depository, participants thereof or nominee thereof with respect to any beneficial ownership interest in the 2015A Bonds;

(ii) the delivery to any DTC Participant or participant of any successor securities depository or any other person, other than a registered owner, as shown in the Bond Register, of any notice with respect to any 2015A Bond, including, without limitation, any notice of redemption;

(iii) the payment to any DTC Participant or participant of any successor securities depository or any other person, other than a registered owner, as shown in the Bond Register, of any amount with respect to the principal of, premium, if any, or interest on the 2015A Bonds, or the purchase price of, any 2015A Bond;

(iv) any consent given by DTC or any successor securities depository as registered owner; or

(v) the selection by DTC or any DTC Participant or by any successor depository or its participants of the beneficial ownership interests in the 2015A Bonds for partial redemption.

So long as the 2015A Bonds are held in book-entry only form, the Division of Bond Finance, the Board of Governors and the Bond Registrar/Paying Agent may treat DTC and any successor Securities Depository as, and deem DTC and any successor Securities Depository to be, the absolute owner of the 2015A Bonds for all purposes whatsoever, including, without limitation:

(i) the payment of the principal of, premium, if any, and interest on the 2015A Bonds;

(ii) giving notices of redemption and other matters with respect to the 2015A Bonds;

(iii) registering transfers with respect to the 2015A Bonds; and

(iv) the selection of the beneficial ownership interests in the 2015A Bonds for partial redemption.

Payment, Registration, Transfer and Exchange

The following provisions shall only be applicable if the book-entry-only system of registration is discontinued; for provisions which are applicable while the book-entry only system of registration is in effect, see "Book-Entry Only System" above.

The Division of Bond Finance, the Board of Governors and the Bond Registrar/Paying Agent may treat the Registered Owner of any 2015A Bond as the absolute owner for all purposes, whether or not such 2015A Bond is overdue, and will not be bound by any notice to the contrary.

Principal of and premium, if any, on the 2015A Bonds will be payable upon presentation and surrender of the 2015A Bonds when due at the corporate trust office of U.S. Bank Trust National Association, New York, New York, as Bond Registrar/Paying Agent.

Each 2015A Bond will be transferable or exchangeable only upon the registration books by the Registered Owner or an attorney duly authorized in writing, upon surrender of such 2015A Bond to the Bond Registrar/Paying Agent together with a written instrument of transfer (if so required) satisfactory in form to the Division of Bond Finance of Bond Finance and the Bond Registrar/Paying Agent, duly executed by the Registered Owner or a duly authorized attorney. Upon surrender to the Bond Registrar/Paying Agent for transfer or exchange of any 2015A Bond, duly endorsed for transfer or accompanied by an assignment in accordance with the Resolution, the Bond Registrar/Paying Agent will deliver in the name of the transferee(s) a fully registered 2015A Bond of authorized denomination of the same maturity for the aggregate principal amount which the Registered Owner is entitled to receive.

Neither the Division of Bond Finance nor the Bond Registrar/Paying Agent may charge the Registered Owner or transferee for any expenses incurred in making any exchange or transfer of the 2015A Bonds. However, the Division of Bond Finance and the Bond Registrar/Paying Agent may require payment from the Registered Owner of a sum sufficient to cover any tax, fee, or other governmental charge that may be imposed in relation thereto. Such governmental charges and expenses must be paid before any such new 2015A Bond is delivered.

The Bond Registrar/Paying Agent will not be required to issue, transfer or exchange any 2015A Bonds on the Record Date.

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