State of Florida
Division of Bond Finance

Notice

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Refunding Issue - Book-Entry Only

This Official Statement has been prepared by the Division of Bond Finance to provide information about the 2021A 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.

$46,365,000
STATE OF FLORIDA
Board of Governors
Florida International University
Dormitory Revenue Refunding Bonds, Series 2021A

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

		Underlying Ratings	Insured Ratings
Bond Ratings	Fitch Ratings	A+ (stable outlook)	N/A
	Moody's Investors Service	Aa3 (stable outlook)	N/A
	S&P Global Ratings	A (stable outlook)	AA (stable outlook)

Tax Status In the opinion of Bond Counsel, assuming compliance by the Board of Governors with certain covenants, under existing statutes, regulations, and judicial decisions, the interest on the 2021A 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. The 2021A 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 other tax consequences to holders of the 2021A Bonds.

Redemption The 2021A Bonds maturing on or after July 1, 2032 are subject to optional redemption as provided herein.

Security The 2021A 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 Current Expenses, Administrative Expenses, and the Rebate Amount, if any. **The 2021A Bonds are not secured by the full faith and credit of the State of Florida or the University.** See "SECURITY FOR THE 2021A BONDS" herein for more complete information.

The scheduled payment of principal of and interest on the 2021A Bonds when due will be guaranteed under a municipal bond insurance policy to be issued by Build America Mutual Assurance Company ("BAM") concurrently with the delivery of the 2021A Bonds.

Lien Priority The lien of the 2021A 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 Bonds hereafter issued. The aggregate principal amount of Bonds which will be outstanding subsequent to the issuance of the 2021A Bonds is $143,415,000.

Additional Bonds Additional Bonds payable on parity with the 2021A 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 the Additional Bonds is only a summary of the complete requirements. See "SECURITY FOR THE 2021A BONDS – Additional Bonds" herein for more complete information.

Purpose Proceeds will be used to refund a portion of the Outstanding State of Florida, Board of Governors, Florida International University Dormitory Revenue Bonds and Revenue Refunding Bonds, Series 2011A and Series 2012A, and to pay costs of issuance of the 2021A Bonds.

Interest Payment Dates January 1 and July 1, commencing July 1, 2021.

Record Dates December 15 and June 15.

Form/ Denomination The 2021A 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 2021A Bonds will not receive physical delivery of the 2021A Bonds. See "DESCRIPTION OF THE 2021A BONDS."

Closing/ Settlement The 2021A Bonds will be available for delivery through the facilities of DTC in New York, New York on April 15, 2021.

Bond Registrar/ Paying Agent U.S. Bank National Association, formerly known as U.S. Bank Trust National Association, Orlando, Florida.

Bond Counsel Bryant Miller Olive P.A., Tallahassee, Florida.

Issuer Contact Division of Bond Finance, (850) 488-4782, bond@sbafla.com

Maturity Structure The 2021A Bonds will mature on the dates and bear interest at the rates set forth on the inside front cover.

March 11, 2021

MATURITY STRUCTURE

Initial CUSIP ©	Due Date	Principal Amount	Interest Rate	Price or Yield*	First Optional Redemption Date and Price
34114C DS1	July 1, 2022	$2,745,000	5.00%	0.25%	-
34114C DT9	July 1, 2023	2,875,000	5.00	0.32	-
34114C DU6	July 1, 2024	3,015,000	5.00	0.45	-
34114C DV4	July 1, 2025	3,225,000	5.00	0.56	-
34114C DW2	July 1, 2026	2,575,000	5.00	0.67	-
34114C DX0	July 1, 2027	2,700,000	5.00	0.83	-
34114C DY8	July 1, 2028	2,835,000	5.00	0.96	-
34114C DZ5	July 1, 2029	1,615,000	5.00	1.10	-
34114C EA9	July 1, 2030	1,700,000	5.00	1.23	-
34114C EB7	July 1, 2031	1,780,000	5.00	1.32	-
34114C EC5	July 1, 2032**	1,870,000	4.00	1.41	July 1, 2031 @ 100%
34114C ED3	July 1, 2033**	1,945,000	3.00	1.54	July 1, 2031 @ 100
34114C EE1	July 1, 2034**	2,005,000	3.00	1.60	July 1, 2031 @ 100
34114C EF8	July 1, 2035**	2,065,000	3.00	1.67	July 1, 2031 @ 100
34114C EG6	July 1, 2036**	2,125,000	2.00	1.92	July 1, 2031 @ 100
34114C EH4	July 1, 2037**	2,170,000	2.00	1.97	July 1, 2031 @ 100
34114C EJ0	July 1, 2038	2,215,000	2.00	2.01	July 1, 2031 @ 100
34114C EK7	July 1, 2039	2,255,000	2.00	2.05	July 1, 2031 @ 100
34114C EL5	July 1, 2040	2,305,000	2.00	2.09	July 1, 2031 @ 100
34114C EM3	July 1, 2041	2,345,000	2.00	2.13	July 1, 2031 @ 100

* Price and yield information provided by the underwriter.
** The yields on these maturities are calculated to a 100% call on July 1, 2031.

Build America Mutual Assurance Company ("BAM") makes no representation regarding the 2021A Bonds or the advisability of investing in the 2021A Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted here from, other than with respect to the accuracy of the information regarding BAM, supplied by BAM, and presented under the heading "MUNICIPAL BOND INSURANCE" herein and attached hereto in "Appendix M – Specimen Municipal Bond Insurance Policy."

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. 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 2021A 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

CHAIR	**VICE CHAIR**
SYDNEY KITSON	BRIAN LAMB

GOVERNING BOARD OF THE DIVISION OF BOND FINANCE

GOVERNOR
RON DESANTIS
Chairman

ATTORNEY GENERAL	**CHIEF FINANCIAL OFFICER**
ASHLEY MOODY	JIMMY PATRONIS
Secretary	*Treasurer*

COMMISSIONER OF AGRICULTURE
NIKKI FRIED

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
$46,365,000
STATE OF FLORIDA
Board of Governors
Florida International University
Dormitory Revenue Refunding Bonds, Series 2021A

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 the $46,365,000 State Florida, Board of Governors, Florida International University Dormitory Revenue Refunding Bonds, Series 2021A, dated the date of delivery (the "2021A Bonds"), by the Division of Bond Finance of the State Board of Administration of Florida (the "Division").

Proceeds of the 2021A Bonds will be used to refund a portion of the Outstanding State of Florida, Board of Governors, Florida International University Dormitory Revenue Bonds and Revenue Refunding Bonds, Series 2011A and Series 2012A, and to pay costs of issuance of the 2021A Bonds. This refunding is being effectuated to achieve debt service savings. See "THE REFUNDING PROGRAM" herein for more complete information.

The 2021A Bonds will be secured by and payable from the Pledged Revenues. The Pledged Revenues consist of the revenues of the Housing System, after providing for payment of the Current Expenses, the Administrative Expenses, and the Rebate Amount, if any. The lien of the 2021A Bonds on the Pledged Revenues is a first lien on such revenues and will be on parity with the Outstanding Bonds and any Additional Bonds issued hereafter. The aggregate principal amount of Outstanding Bonds subsequent to the issuance of the 2021A Bonds will be $143,415,000. **The 2021A Bonds are not a general obligation of the State of Florida, the Board of Governors, or the University, and the full faith and credit of the State of Florida is not pledged to payment of the 2021A Bonds.** See "SECURITY FOR THE 2021A BONDS" herein for more detailed information.

The payment of principal of and interest on the 2021A Bonds will also be secured by a municipal bond insurance policy to be issued by Build America Mutual Assurance Company ("BAM") concurrently with the delivery of the 2021A Bonds. See "MUNICIPAL BOND INSURANCE" herein for more complete information

Requests for additional information may be made to:

Division of Bond Finance
Phone: (850) 488-4782
Fax: (850) 413-1315
Email: 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 2021A 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.

Certain statements contained in this Official Statement, including the Appendices hereto, reflect not historical facts but forecasts and constitute "forward-looking statements." No assurance can be given that the future results discussed herein will be achieved, and actual results may differ materially from the forecasts described herein. In this respect, the words "estimate," "forecast," "project," "anticipate," "expect," "intend," "believe," "budget," and similar expressions are intended to identify forward-looking statements. All projections, forecasts, assumptions and other forward-looking statements in this Official Statement are expressly qualified in their entirety by the cautionary statement set forth above. Additionally, estimates are based on information available at the time of the estimates. Such estimates are subject to revision as additional information becomes available. Also, estimates are subject to risks and uncertainties which may cause results to differ materially from those estimates set forth herein. No assurance is given that actual results will not differ materially from the estimates provided herein.

AUTHORITY FOR THE ISSUANCE OF THE 2021A BONDS

General Legal Authority

The 2021A Bonds are being issued by the Division, on behalf of the Board of Governors of the State University System of Florida (the "Board of Governors"), 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 pursuant to Article VII, Section 11(d), of the Florida Constitution. Sections 215.59(2) and 215.79, Florida Statutes, authorize the issuance of revenue bonds and the refunding of such bonds by the Division pursuant to Article VII, Section 11(d), of the Florida Constitution.

Division of Bond Finance

The Division, 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 (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 serves as an assistant secretary of the Governing Board and directs the day-to-day operations of the Division, including the issuance of bonds.

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 Chief Financial Officer, and the Attorney General. 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 and its agencies. The Board of Administration also acts as the fiscal agent of the Board of Governors in administering various funds and accounts established pursuant to the Resolution, including the Sinking Fund, the Rebate Fund, and the Reserve Account, if any. See "SECURITY FOR THE 2021A BONDS – Flow of Funds" herein for a more detailed description of the funds and accounts managed by the Board of Administration.

Board of Governors

The Board of Governors was established by Article IX, Section 7 of the Florida Constitution, to operate, regulate, control and manage the State University System, which is comprised of all public universities within the State (the "State Universities"). The responsibilities of the Board of Governors include defining the mission of each State University, ensuring the coordination and operation of the State University System, and avoiding wasteful duplication of facilities or programs. The Board of Governors' management of the State University System is subject to the power of the Florida Legislature to appropriate funds.

The Board of Governors provides fiscal policy guidelines to the State Universities. State Universities must engage in debt management practices that are consistent with the Board of Governors' Debt Management Guidelines. The Debt Management Guidelines address types of debt that may be issued, the amount of debt that may be incurred, and the purposes for which such debt may be issued. State Universities are also statutorily required to receive approval from the Board of Governors prior to the issuance of revenue bonds, and such approval, unless sought for refunding bonds, must be requested by a resolution adopted by the State University's board of trustees.

The Board of Governors consists of 17 members, 14 of whom are appointed by the Governor to staggered seven-year terms, as provided by law, and subject to confirmation by the Florida Senate, and three of whom are *ex officio* members. The Commissioner of Education, the President of the Advisory Council of Faculty Senates, and the Chair of the Florida Student Association are the *ex officio* members of the Board of Governors.

The following table lists the individuals who have been appointed by the Governor serve as the members of the Board of Governors and their terms:

Board Members	Term Expires
Sydney Kitson, Chair	January 6, 2024
Brian Lamb, Vice Chair	January 6, 2026
Timothy M. Cerio	January 6, 2024
Aubrey Edge	January 6, 2027
Patricia Frost	January 6, 2024
Edward Haddock	January 6, 2027
H. Wayne Huizenga, Jr.	January 6, 2027
Ken Jones	January 6, 2027
Darlene Luccio Jordan	January 6, 2024
Alan Levine	January 6, 2024
Charles H. Lydecker	January 6, 2027
Steven M. Scott	January 6, 2026
Eric Silagy	January 6, 2026
Kent Stermon	January 6, 2026

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

Richard Corcoran – Commissioner of Education
William Self – Chair, Advisory Council of Faculty Senates
Ally Schneider – Chair, Florida Student Association

University Board of Trustees

Article IX, Section 7 of the Florida Constitution provides for an appointed board of trustees at each State University within the State University System, the powers and duties of which are established by the Board of Governors. The responsibilities for the boards of trustees include, but are not limited to, establishing policies and procedures that govern the State Universities in accordance with the rules of the Board of Governors, approving the annual operating budget for the State Universities based on the guidelines provided by the Board of Governors, and setting certain student fees, including housing fees and rental rates.

Each board of trustees consists of thirteen members and administers the University. Six members of each board of trustees are appointed by the Governor and five members are appointed by the Board of Governors. The appointed members must be confirmed by the Florida 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 serving on the Florida International University Board of Trustees.

Administrative Approval

By a resolution adopted on March 25, 2020, the Board of Governors authorized and requested the Division of Bond Finance to proceed with the actions required for the issuance of the 2021A Bonds.

The Governing Board authorized the issuance of the 2021A Bonds by a resolution adopted on December 15, 2020 (the "Tenth Supplemental Resolution"), which supplements the original authorizing resolution adopted on June 9, 1998, as amended by a sale resolution adopted on September 23, 1998 (together, the "Original Resolution"), and as further amended by supplemental resolutions adopted on August 10, 2004 (the "Second Supplemental Resolution"), September 20, 2011 (the "Fourth Supplemental Resolution"), and March 20, 2012 (the "Sixth Supplemental Resolution"). Copies of the Original Resolution, the Second, Fourth, Sixth, and Tenth Supplemental Resolutions are attached hereto as Appendices B, C, D, E, and F, respectively. The Original Resolution, as amended and supplemented through the Tenth Supplemental Resolution, is referred to as the "Resolution."

The Board of Administration approved the fiscal sufficiency of the 2021A Bonds, as required by the State Bond Act, by a resolution adopted on December 15, 2020.

DESCRIPTION OF THE 2021A BONDS

The 2021A Bonds are being issued as fully registered bonds in the denomination of $1,000 or integral multiples thereof. The 2021A Bonds are payable from the Pledged Revenues as described herein. The 2021A Bonds will be dated the date of delivery thereof, and will mature as set forth on the inside front cover. Interest is payable on July 1, 2021, for the period from the date of delivery to July 1, 2021, and semiannually on January 1 and July 1 of each year until the maturity thereof. Interest on the 2021A Bonds will be calculated on the basis of a 360-day year of twelve 30-day months.

The 2021A Bonds will initially be issued exclusively in "book-entry" form. Ownership of one 2021A 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 2021A Bonds. Individual purchases of the 2021A Bonds will be made in book-entry form only, and the purchasers will not receive physical delivery of the 2021A Bonds or any certificate representing their beneficial ownership interest in the 2021A Bonds. See Appendix L, "Provisions for Book-Entry Only System or Registered Bonds" for a description of DTC, certain responsibilities of DTC, the Board of Governors and the Bond Registrar/Paying Agent, and the provisions for registration and registration of transfer of the 2021A Bonds if the book-entry only system of registration is discontinued.

REDEMPTION PROVISIONS

Optional Redemption

The 2021A Bonds maturing in the years 2022 through 2031, both inclusive, are not subject to optional redemption prior to their stated dates of maturity. The 2021A Bonds maturing in 2032 and thereafter are redeemable prior to their stated dates of maturity, without premium, at the option of the Division (i) in part, by maturities to be selected by the Division, and by lot within a maturity if less than an entire maturity is to be redeemed, or (ii) as a whole, on July 1, 2031, or on any date thereafter, at the principal amount of the 2021A Bonds so redeemed, together with interest accrued to the date of redemption.

Notice of Redemption

Notices of redemption of 2021A 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 2021A Bonds to be redeemed, if less than all, the date fixed for redemption and the redemption price. Interest on the 2021A Bonds called for redemption will cease to accrue upon the redemption date. 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 any required notice of redemption as to any particular 2021A Bonds will not affect the validity of the call for redemption of any 2021A 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 duly given, whether or not the Registered Owner receives the notice.

THE REFUNDING PROGRAM

A portion of the proceeds derived from the sale of the 2021A Bonds, together with other legally available moneys, will be used to refund the State of Florida, Board of Governors, Florida International University Dormitory Revenue Refunding Bonds, Series 2011A, maturing in the years 2022 through 2025, in the outstanding principal amount of $7,240,000 (the "Refunded 2011A Bonds"), and the State of Florida, Board of Governors, Florida International University Dormitory Revenue Bonds Series 2012A, maturing in the years 2022 through 2030, 2032, 2034, 2037, and 2041, in the outstanding principal amount of $44,490,000 (the "Refunded 2012A Bonds") (collectively, the "Refunded Bonds"). This refunding is being effectuated to achieve debt service savings.

Simultaneously with the delivery of the 2021A Bonds, the Division will cause to be deposited a portion of the proceeds of the 2021A Bonds, along with other legally available moneys, into an irrevocable escrow account (the "Escrow Deposit Trust Fund") under an Escrow Deposit Agreement to be entered into among the Board of Governors, the Division, and the Board of Administration (the "Escrow Agent"). The Escrow Agent will invest the proceeds in the Escrow Deposit Trust Fund in direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (the "Federal Obligations") or other legally authorized investments. The amount of monies initially deposited in escrow, not including interest earnings thereon, will be sufficient to redeem the Refunded Bonds on the redemption date and the Refunded Bonds will be considered legally defeased, will no longer have any claim upon the Pledged Revenues, and will have a claim only upon the Escrow Deposit Trust Fund. No funds held in the Escrow Deposit Trust Fund will be available to pay debt service on the 2021A Bonds.

The Refunded Bonds will be called for redemption (by separate redemption notices) and will be redeemed on July 1, 2021, 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 2021A Bonds	$46,365,000
Plus: Original Issue Premium	6,370,597
Sinking Fund Accrual	508,284
Total Sources	$53,243,881
Uses of Funds:	
Deposit to Escrow Deposit Trust Fund	$52,746,569
Underwriter's Discount[1]	392,573
Costs of Issuance	104,739
Total Uses	$53,243,881

[1] Includes municipal bond insurance premium of $158,400 to be paid by the Underwriter to Build America Mutual simultaneously with delivery of the 2021A Bonds.

SECURITY FOR THE 2021A BONDS

Pledge of Housing System Revenues

The 2021A Bonds and the interest thereon constitute obligations of the Board of Governors on behalf of the University, and will be 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. The aggregate amount of Bonds which will be Outstanding subsequent to the issuance of the 2021A Bonds is $143,415,000.

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 housing 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" below. The Pledged Revenues consist of the revenues of the Housing System, as defined in the Resolution 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 Debt Service Coverage" herein. The Pledged Revenues have been and may continue to be impacted by the public health crisis created by COVID-19, as more particularly described in "THE HOUSING SYSTEM – Historical Pledged Revenues and Debt Service Coverage" and "THE HOUSING SYSTEM – Projected Pledged Revenues and Debt Service Coverage" herein.

The 2021A 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 2021A Bonds do not constitute a general obligation the State of Florida or any of its agencies or political subdivisions, including the Board of Governors and 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 2021A Bonds. The issuance of the 2021A 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 2021A Bonds.**

2021A Bonds Insured

The payment of principal and interest on the 2021A Bonds will be secured by a municipal bond insurance policy to be issued by Build America Mutual Assurance Company ("BAM") concurrently with the delivery of the 2021A Bonds. See "MUNICIPAL BOND INSURANCE" herein for more complete information.

No Funded Reserve Account

The Resolution provides that the Reserve Account for the 2021A Bonds may be funded in an amount determined by the Director, which amount may be zero. The Reserve Requirement for the 2021A Bonds has been determined by the Director to be zero. No deposit will be made to the Debt Service Reserve Account from the proceeds of the 2021A Bonds.

Flow of Funds

Collection of Pledged Revenues. Pledged Revenues are deposited into a trust fund (the "Revenue Fund") 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.

Covenants of the Board of Governors

The Board of Governors 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 Original 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 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 setting forth (1) the average annual 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 Bonds then proposed to be issued;

(E) the Board of Governors 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 of Governors and the University must be currently in compliance with the covenants and provisions of the Resolution and any supplemental resolution adopted for the issuance of Additional Bonds, unless upon the issuance of such Additional Bonds the Board and the University 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 Bonds then proposed to be issued.

Bonds may be refunded in whole or in part as long as the Additional Bonds 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 provisions of paragraphs (A), (D), and (F) above.

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 having been complied with, the 2021A Bonds will be issued on a parity with the Outstanding Bonds. Additional Parity Bonds issued in accordance with the Original Resolution will be on a parity as to lien on the Pledged Revenues with the Outstanding Bonds and the 2021A Bonds.

MUNICIPAL BOND INSURANCE

(The information contained under the heading "MUNICIPAL BOND INSURANCE" has been obtained from Build America Mutual Assurance Company ("BAM"), which is solely responsible for its content. This information has not been reviewed by, is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of the State, the Board of Governors, or the University. See Appendix M for a specimen of BAM's municipal bond insurance policy.)

Municipal Bond Insurance Policy

Concurrently with the issuance of the 2021A Bonds, BAM will issue its Municipal Bond Insurance Policy for the 2021A Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the 2021A Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement. The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut, or Florida insurance law.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986 (the "Code"), as amended. No member of BAM is liable for the obligations of BAM.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law. The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: (212) 235-2500, and its website is located at: www.buildamerica.com.

BAM's financial strength is rated AA (Stable Outlook) by S&P Global Ratings. An explanation of the significance of the rating and current reports may be obtained from S&P Global Ratings. The rating of BAM should be evaluated independently. The rating reflects the S&P's Global Ratings current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the 2021A Bonds, and such rating is subject to revision or withdrawal at any time by S&P Global Ratings, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the 2021A Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the 2021A Bonds on the dates when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the 2021A Bonds, nor does it guarantee that the rating on the 2021A Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of December 31, 2020 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $485.4 million, $160.7 million and $324.7 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the 2021A Bonds or the advisability of investing in the 2021A Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted here from, other than with respect to the accuracy of the information regarding BAM, supplied by BAM, and presented herein under the heading "MUNICIPAL BOND INSURANCE."

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at www.buildamerica.com/videos. The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity, and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at www.buildamerica.com/credit-profiles. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

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 200 baccalaureate, master's, and doctoral degree programs. The University operates two primary campuses in Miami-Dade County, Florida – the main Modesto Maidique Campus located approximately 10 miles west of downtown Miami and the Biscayne Bay Campus located on Biscayne Bay in North Miami. Additionally, the University operates two satellite campuses: the Center for Engineering and Applied Science located near the main campus and FIU in Broward County. The total student body, as of fall 2020, exceeded 58,000, of whom, approximately 83% were undergraduates and over 34,000 were full-time students.

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 housing facility. 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 70 full-time and 200 part-time employees during the year and is comprised of three areas: Housing Administrative Operations, Housing Facilities and Residential Life. The Senior Director of Housing & Residential Life is responsible for the overall operations of the Housing System and serves as the primary department head for all three areas. Additionally, the Senior Director of Housing & Residential Life establishes policies and procedures while providing direction, leadership, and strategic planning for the department. An Associate Director oversees and monitors administrative operations including budget, finance, purchasing, contracts, and human resources activities.

The Residential Life branch of the department is led by the Associate 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 housing facility. 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 housing facility to which they are assigned.

University Housing Facilities

The overall design capacity of the on-campus residential housing facilities, which comprise the Housing System, is approximately 3,311 beds across six residence halls and apartment complexes. All of the facilities are located on the University's main campus. Actual capacity may differ from design capacity and vary from year to year due to the University practice of honoring students' requests for single-occupancy bedrooms in units which could otherwise serve as double-occupancy bedrooms.

In 1986, the University opened the University Park Apartments with an original design capacity of 732 beds; University Park has a current design capacity of 593 beds. University Park Apartments 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) and outdoor recreational facilities. All units are fully furnished and equipped with complete kitchens.

In 1996, the University opened Panther Hall with a design capacity of 410 beds in two-bedroom, double-occupancy suites with private baths. Panther Hall offers special living options to students participating in the First Year Residents Succeeding Together ("FYRST") and Honors programs.

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

In 2002, the University opened Everglades Hall, which adjoins University Park Towers, with a design capacity of 388 beds. Everglades Hall consists of apartment style accommodations that include three-bedroom (single occupancy) one-bath apartment units with kitchens.

In 2006, the University opened Lakeview Hall, with a 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.

In 2013, the University opened Parkview Hall, with a capacity of 600 Beds. Parkview Hall consists of four-bedroom (single occupancy) and studio units.

The University is currently constructing a 300,000 square foot, 13-story residence hall on the University's main campus, tentatively known as Parkview Hall II. The residence hall will have a mixture of four-bedroom and studio units, which will add approximately 700 beds in to the existing Housing System. The University anticipates that the residence hall will provide housing primarily for upper-level undergraduate students beginning in the fall 2022 semester.

Outlined in the following table is a description of the residence halls and apartments that currently comprise the Housing System. All facilities are located on the University's main campus and are equipped with unlimited internet access and cable television service.

Housing System Facilities

Facility Name	Year Placed in Service	Square Footage	Design Capacity[1]
University Park Apartments	1986	136,679	593
Panther Hall	1996	111,266	410
University Park Towers	2000	218,157	495
Everglades Hall	2002	147,475	388
Lakeview Hall	2006	252,324	825
Parkview Hall	2013	411,766	600
Total		1,277,667	3,311

[1] Includes non-revenue generating bed spaces; actual capacity may differ from design capacity due to changes in original room configurations.

Impacts of COVID-19 on the Operation of Housing System Facilities

In response to the public health crisis caused by the strain of coronavirus called COVID-19 ("COVID-19"), the Governor of the State of Florida issued Executive Order No. 2020-52 on March 9, 2020, declaring a state of emergency. The declaration allows for certain executive actions to respond to the impacts of COVID-19. The Governor subsequently issued numerous additional executive orders in response to COVID-19 in an effort to reduce community spread of the virus and protect the State's most vulnerable citizens. Those measures included, among others, closing or restricting access to certain businesses and activities and limiting movement of all persons in Florida through April 30, 2020. The Governor convened the Re-Open Florida Task Force to evaluate how to safely reopen the State, and, in response to its recommendations, issued a series of executive orders to reopen the State through a multi-step, three-phased process of easing restrictions after considering medical data in consultation with state health officials. On May 14, 2020, all Florida counties were brought into Phase 1 allowing for limited reopening of businesses and activities statewide. Then, on June 3, 2020, 64 of Florida's 67 counties (all except Broward, Miami-Dade, and Palm Beach Counties) were brought into Phase 2, which further relaxed business capacity restrictions. On September 15, 2020, Broward and Miami-Dade Counties were the final two counties to enter Phase 2. Thereafter, on September 25, 2020, the Governor issued an executive order initiating Phase 3 of reopening for all 67 Florida counties.

On March 17, 2020, the Board of Governors directed state universities to provide the remainder of classes for the spring 2020 semester by remote instruction. Following the state of emergency declaration by the Governor and directives from the Board of Governors, the University took a number of measures to reduce the spread of COVID-19 on its campus and in the surrounding community, including asking all students to leave and remain off-campus, converting all courses to remote instruction, closing its housing facilities, to all residents except for those students who did not have safe housing available, reducing the number of staff and faculty working on campus, and cancelling or limiting the size of other campus-based activities.

Closure of On-Campus Housing Facilities for the Spring and Summer 2020 Semesters. Concurrent with the conversion of all face-to-face courses to remote instruction in spring 2020, the University requested all students, who were able to, to vacate on-campus housing facilities. The University issued partial spring 2020 semester housing fee refunds to 2,781 students who vacated University housing using Higher Education Emergency Relief Funds awarded by the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"). The University subsequently announced that for the summer 2020 semester, all courses would be provided solely by remote instruction and that on-campus housing facilities would remain closed. The University released most students from their summer 2020 semester housing agreements with approximately 340 students remaining in University housing. See "THE HOUSING SYSTEM – Fiscal Year 2019-20 Housing System Operating Results and COVID-19 Impacts" and "Historical Pledged Revenues and Debt Service Coverage" for a discussion on the financial impact of the spring 2020 refunds and the summer 2020 lost revenues resulting from this closure of on-campus housing facilities.

Reopening of On-Campus Housing for Fall 2020 Occupancy. The Board of Governors adopted guidelines for the reopening of State University campuses for the fall 2020 semester and required all State Universities to develop and submit individual reopening plans. The University's reopening plan, which was approved by the Board of Governors on June 23, 2020, includes a three-phased reopening of its campuses. Pursuant to the reopening plan, the Housing Office implemented a fall occupancy plan consistent with CDC guidance and best practices on providing a safe and healthy environment, which included: a structured, staggered, move-in process at all housing facilities; changes to staff interactions and use of shared common spaces; and the implementation of ongoing education and outreach regarding required face coverings, frequent hand washing, staying home when sick, and maintaining physical distance.

The University reopened its housing facilities for the fall 2020 semester with changes to room configurations, including limiting occupancy to only those students requesting to share a bedroom as part of roommate assignments. The University also set aside 132 beds (4% of housing capacity) for the potential quarantine of students who reside in University housing facilities and test positive for COVID-19. It is important to note that Miami-Dade County, the county in which the University is located, was in Phase 1 of the State's reopening plan through the first few weeks of the fall 2020 semester, until September 14, 2020, as the South Florida region was the epicenter of the COVID-19 pandemic in the State, accounting for 43% of the COVID-19 cases despite having only 29% of the population.

On-Campus Housing Remains Open for Spring 2021 Occupancy. The University continues to have limitations on large gatherings, use of common spaces, and limits to guest visitation in on-campus housing facilities during the spring 2021 semester, in response to the COVID-19 Pandemic. The Housing Office has implemented mandatory surveillance testing and mask wearing strategies in an effort to limit the spread of the virus. Students residing in on-campus housing who test positive for COVID-19 or who have had contact with someone who has are placed in one of the 132 designated beds the University has set aside for isolation and quarantine. See "THE HOUSING SYSTEM – Impact of COVID-19 on Demand for On-Campus Housing" herein for additional information on the impact of COVID-19 and the University's reopening plan on occupancy rates for the University's Housing System.

Capital Improvement Plan

The Senior Director of Housing & Residential Life, in conjunction with the University Facilities Planning Department, develops and implements capital improvement projects in a five-year cycle. The University has the flexibility to revise the Housing System's Capital Improvement Plan, as necessary, to make adjustments for changes in projected revenues.

Housing System Expansion. The University is currently constructing a 700-bed residence hall (Parkview Hall II) which will be added to the Housing System upon completion, which is anticipated for fall 2022 and there are currently no plans for additional on-campus housing expansion projects. However, additional housing facilities may be added to the Housing System in the future as demand deficiencies are identified by future needs assessments. Parkview Hall II is expected to cost $87.5 million and is funded with approximately $75 million of proceeds from the issuance of the 2020A Bonds and a cash contribution from the Housing system of approximately $12.5 million, $3.3 million of which was contributed through June 30, 2020.

Renovations and Maintenance. The Housing System employs dedicated personnel to perform general maintenance work on the housing system facilities and budgets approximately $1.6 million annually for such work, in addition to amounts necessary for major renovations and maintenance projects. Currently, four major renovation and maintenance project needs have been identified for the University's housing facilities, including entrance doors, elevator modernization, roof replacements, and interior renovations. The University estimates these projects will cost approximately $17.5 million over the current and next four fiscal years and will be funded from annual net cash flow of the system and funds on hand in the Housing System Maintenance and Equipment Reserve Fund, as described below. Approximately $1.5 million of such planned maintenance expenditures were delayed from Fiscal Year 2019-20 to offset reduced revenues as a result of COVID-19. For Fiscal Year 2020-21, the Housing System forecast includes $2.3 million for essential repairs and maintenance. $1.8 million of the repairs and maintenance is expected to be funded from the CARES Act and the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (the "CRRSAA"). See "THE HOUSING SYSTEM – Projected Pledged Revenues and

Debt Service Coverage" herein for further discussion of the University's application of CARES Act and CRRSAA funds to offset the costs associated with Housing System repair and maintenance expenditures in Fiscal Year 2020-21.

The Housing System Maintenance and Equipment Reserve Fund established by the Original Resolution (the "R&R Fund") may be used to pay the cost of unusual or extraordinary maintenance, repairs, renewals, replacements, and renovations not paid as part of the ordinary and normal expense of the operation and maintenance of the Housing System. The amount required to be deposited by the University into this fund is determined annually by the University as part of the development of the annual budget. The available balance in the R&R Fund is currently approximately $900,000.

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 Senior Director of Housing & Residential Life 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, currently 3,223 beds, for a total student enrollment that exceeded 58,000 in fall 2020, including approximately 49,000 undergraduate students, more than 27,000 of whom are full-time students. The University's goal is to maximize receipt of housing applications without having to turn a large number of students away due to oversubscriptions. Over the previous three academic years (2017-18 through 2019-20), the Housing System opened with an average of 623 students on the wait list for on-campus housing, with the fall 2019 semester beginning with a wait list of 712 students. Because this demand occurred before the COVID-19 pandemic, it may not be indicative of future demand.

Impact of COVID-19 on Demand for On-Campus Housing

Fall 2020 Demand. The demand for on-campus housing for the fall 2020 semester was significantly lower than prior years. The University changed the primary delivery mode of instruction for fall 2020 to online courses in accordance with the University's reopening plan. Approximately 76% of courses for fall 2020 were delivered via remote or online learning compared to 32% in fall 2019. The change in the primary delivery mode of instruction for courses, along with parent and student concerns about COVID-19 rates in Miami-Dade County at the time decisions had to be made for fall 2020 housing, had an impact on demand for on-campus housing. The University had 1,645 students residing in on-campus housing for the fall 2020 semester, resulting in an occupancy rate of 51%. This is a decline of 49%, or approximately 1,572 less students residing in on-campus housing, compared to the fall 2019 semester.

Spring 2021 Demand. The changes in course delivery mode continued for the spring 2021 semester, with approximately 70% of courses being delivered via remote or online learning, and are expected to remain in effect for the summer 2021 semester. On January 9, 2021, the University had approximately 1,100 applications for new on-campus housing agreements and anticipated approximately 2,750 students would live on campus for the spring 2021 semester; however, as a result of concerns surrounding an increase of COVID-19 cases in the area, 678 students cancelled their agreements. As of February 9, 2021, the University had 2,072 students residing in on-campus housing for the spring 2021 semester, resulting in an occupancy rate of 64%. This is a decline of 35%, or approximately 1,100 less students residing in on-campus housing, compared to the spring 2020 semester and a decline of 9%, or approximately 280 less students residing in on-campus housing, compared to the University's projections for the spring 2021 semester that were included in the Official Statement for the 2020A Bonds dated November 18, 2020.

Future Impacts on Demand. The University projects that the COVID-19 pandemic will continue to impact demand for on-campus housing for the remainder of the current academic year and into the 2021-22 academic year. The projected occupancy rate for the summer 2021 semester is 30%, which is below the Housing System's historical summer occupancy rate of 55%. Additionally, the University is projecting occupancy rates of 90% for the fall 2021 semester and 95% for the spring 2022 semester, which are lower than the historical occupancy rates of 99-100%. The University anticipates that occupancy rates will return to historical rates beginning with the summer 2022 semester. ***However, the duration of the impacts of COVID-19 on the projected occupancy of the Housing System will depend on developments which may be beyond the control of the Board of Governors and the University and may differ materially from the projections provided herein.***

Occupancy Statistics

The following table indicates the occupancy rates for the semester as compared to the capacity of the Housing System for the past five and current academic years. Students may 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. The historical occupancy statistics for academic years 2015 through 2020 are based on students residing in University housing as of the fourth week of the respective fall semester.

Fall Semester Occupancy Statistics

Academic Year	Total Housing Capacity [1]	Total Occupancy	Occupancy as % of Capacity	Total Enrollment	Total Full-Time Students	% of Full-Time Students Residing on Campus
2015-16	3,180	3,174	100%	54,048	32,050	10%
2016-17	3,178	3,153	99%	55,112	32,797	10%
2017-18	3,223	3,178	99%	56,886	33,343	10%
2018-19	3,223	3,209	100%	58,063	34,754	9%
2019-20	3,223	3,217	100%	58,787	35,441	9%
2020-21 [2]	3,223	1,645	51%	58,732	34,839	5%

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 bedrooms, and therefore may differ from design capacity.

2 Total housing capacity remains at 3,223 beds for the 2020-21 academic year; however, 132 beds (4%) have been set aside for the potential quarantine of students who reside in University housing facilities and test positive for COVID-19. Spring 2021 occupancy has improved to 2,072, or 64% of capacity.

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. However, see "THE HOUSING SYSTEM – Impacts of COVID-19 on the Operation of Housing System Facilities" for a discussion of the releases granted and refunds issued in connection with the closure of the housing facilities for a portion of the spring 2020 semester and the summer 2020 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 five most recent fall and spring semesters for which information is available are set forth in the following table.

Historical Housing Fee Collection Rates [1]

Academic Year	Term	Collection Rate %	Term	Collection Rate %
2016-17	Fall 2016	98.48%	Spring 2017	99.21%
2017-18	Fall 2017	98.59%	Spring 2018	99.19%
2018-19	Fall 2018	99.17%	Spring 2019	99.49%
2019-20	Fall 2019	99.19%	Spring 2020	99.44%
2020-21	Fall 2020	99.00%	Spring 2021 [2]	99.44%

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

2 Collections for the spring 2021 semester are preliminary, as of February 9, 2021, and subject to change.

Housing System Rental Rates

The University is required, pursuant to the Resolution, to set rental rates for on-campus housing at a rate sufficient to cover all required payments under the Resolution, including 100% of Current and Administrative Expenses and 100% of the Annual Debt Service Requirement for the Bonds. On-campus housing rental rates at the University are reviewed on an annual basis when the subsequent year's budget is developed. The Senior Director of Housing & Residential Life 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 Senior Director of Housing & Residential Life 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. Rental rates include utilities, cable, and internet. 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 and are based on annual market surveys and needs analyses. 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. Prior to Fiscal Year 2020-21, rental rates for Panther Hall and Lakeview Hall shown below include the cost of the mandatory meal plan that residents were required to purchase. The cost of the mandatory meal plan decreased between Fiscal Years 2018-19 and 2019-20 from $1,949 to $1,200. Beginning in Fiscal Year 2020-21, the cost of mandatory meal plans is excluded from the rental rate, as the revenue generated from the mandatory meal plans only passes through the Housing System.

The rental rates for Fiscal Year 2020-21 were approved by the University's Board of Trustees as part of the Housing System's annual budget in April 2020. ***The projected rental rates set forth below assume a 3% rental rate increase for Fiscal Year 2022-23 and 2% thereafter; however, such future rate increases are subject to approval by the University Board of Trustees which may cause the actual rates to differ materially from those set forth herein. Undue reliance should not be placed on these projections.***

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

	Historical and Current Rates					Projected Rates (subject to change)				
	Fiscal Year					Fiscal Year				
Description	**2016-17**	**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**	**2024-25**	**2025-26**
Panther Hall										
Two Bedroom Double-Occupancy [*]	$4,599	$4,599	$4,599	$3,850	$2,650	$2,650	$2,730	$2,784	$2,840	$2,897
University Park Apartments										
Two Bedroom Double-Occupancy	$2,550	$2,550	$2,450	$2,450	$2,450	$2,450	$2,524	$2,574	$2,625	$2,678
Two Bedroom Single-Occupancy	3,350	3,350	3,250	3,250	3,250	3,250	3,348	3,414	3,483	3,553
Studio	4,050	4,150	4,050	4,050	4,050	4,050	4,172	4,255	4,340	4,427
Two Bedroom Double-Occupancy	2,350	2,350	2,250	2,250	2,250	2,250	2,318	2,364	2,411	2,459
One Bedroom Double-Occupancy	2,950	2,950	2,850	2,850	2,850	2,850	2,936	2,994	3,054	3,115
Two Bedroom Single-Occupancy	4,150	4,150	-	-	-	-	-	-	-	-
Four Bedroom Single-Occupancy	3,900	3,900	3,800	3,800	3,800	3,800	3,914	3,992	4,072	4,153
University Park Towers										
Four Bedroom Single-Occupancy	$4,000	$4,050	$4,050	$4,050	$4,050	$4,050	$4,172	$4,255	$4,340	$4,427
Two Bedroom Single-Occupancy	4,250	4,300	4,300	4,300	4,300	$4,300	4,429	4,518	4,608	4,700
Studio	4,250	4,350	4,350	4,350	4,350	$4,350	4,481	4,570	4,662	4,755
Everglades Hall										
Three Bedroom Single-Occupancy	$3,850	$3,850	$3,850	$3,850	$3,850	$3,850	$3,966	$4,045	$4,126	$4,209
Lakeview Hall										
Two Bedroom Double-Occupancy [*]	$4,599	$4,599	$4,599	$3,850	$2,650	$2,650	$2,730	$2,784	$2,840	$2,897
Four Bedroom Single-Occupancy [*]	5,299	5,299	5,299	4,550	$3,350	$3,350	$3,451	$3,520	$3,590	$3,662
Parkview Hall										
Four Bedroom Single-Occupancy	$4,100	$4,200	$4,300	$4,300	$4,300	$4,300	$4,429	$4,518	$4,608	$4,700
Studio	4,400	4,450	4,550	4,550	4,550	4,550	4,687	4,780	4,876	4,974
Parkview Hall II**										
Four Bedroom Single-Occupancy	-	-	-	-	-	-	$4,600	$4,692	$4,786	$4,974
Studio	-	-	-	-	-	-	4,800	4,896	4,994	5,094

* Historical rental rates include the cost of the mandatory meal plan that residents are required to purchase; the cost was $1,949 through Fiscal Year 2018-19, decreased to $1,200 in Fiscal Year 2019-20, and was excluded beginning in Fiscal Year 2020-21.

** Parkview Hall II (financed with proceeds of the 2020A Bonds) is expected to open for occupancy in August 2022 for the start of the fall 2022 semester.

Super-Majority Vote for Increasing University Fees

An amendment to the Florida Constitution took effect on January 8, 2019, which requires a super-majority vote of any university board of trustees (9 of 13 members) to raise, impose, or authorize any university fee. If approval by the Board of Governors is required by general law, the amendment also requires a super-majority vote by the Board of Governors (12 of 17 members). As a result, future increases to on-campus housing rental rates, which comprise the Pledged Revenues and secure payments of the Series 2021A Bonds, will require a super-majority vote by the University's Board of Trustees.

Other On-Campus Housing

In 2015, the University entered into a public-private partnership for the planning, designing, financing, owning and operating of a new residential housing facility on the Biscayne Bay campus, Bayview Student Living @ FIU ("Bayview"). Bayview is owned and operated by NCCD – Biscayne Bay Properties LLC ("NCCD") and was financed using tax-exempt and taxable bonds, secured by a senior lien the net revenues generated by Bayview, issued through the Miami-Dade Industrial Development Authority on behalf of NCCD (the "NCCD Bonds"). Bayview opened in August 2016 with a design capacity of 410 beds. While it is located on the University's Biscayne Bay Campus, Bayview is not part of the Housing System and the University does not have any obligation to pay debt service on its bonds and revenues of the Housing System are not pledged as security for the NCCD bonds. However, the University subordinates payment of the utilities for Bayview and, for students receiving financial aid, allows the rental payments to pass through the University and then to the trustee for payment of the NCCD Bonds.

Comparison of Off-Campus Housing Rates

In addition to conducting its own analysis, the University engaged a third party to update its Housing Master Plan, which included an on-campus housing demand study. The demand study incorporated a survey of off-campus multi-family developments in the immediate area surrounding the University's main campus where many students live. The study identified five developments shown below, located within a two-mile radius and with rental rates comparable to the University's on-campus housing. The off-campus rental rates shown below for these developments are on a monthly basis, whereas the University's rental rates are on a per semester basis (approximately four months). Additionally the off-campus rates are shown per bed and all bedrooms are single occupancy; however, Advenir @ University Park does not offer apartments on a per-bedroom basis, so it is assumed that a two-bedroom unit has two occupants.

Off-Campus Competitive Housing Rental Rates (per bed)

	Fall 2020 Monthly Rent*			
Off-Campus Housing	**Studio**	**1 BR**	**2BR**	**4BR**
109 Tower	--	--	$1,045	$839
4th Street Commons	$1,465	$1,599	$945	$741
Advenir @ University Park	$2,007	$1440	$807	--
Identity Miami	$1,199	$1,649	$1,119	$899
The One	$1,275	$1,320	$1,125	$1,015
Average Rental Rate	**$1,487**	**$1,502**	**$1,008**	**$874**

* The above data is based on the reported rental rates.

The University currently offers rental rates that are comparable or below those available in the off-campus market, reflected in the chart above. On-campus rental rates include utilities, cable, and internet, which are not included in off-campus rental rates, and off-campus housing contracts may require additional deposits. The University also offers academic year housing contracts of approximately eight months (for fall and spring semesters only), whereas students who live in off-campus housing are required to sign annual (12-month) housing contracts.

The average off-campus monthly rental rate for a studio would equate to approximately $5,950 for the fall 2020 semester, assuming a four-month semester. Comparably, the average rental rate charged for an on-campus studio room is $4,350 per semester. When the residence hall currently under construction opens for the fall 2022 semester, the University expects to charge $4,800 for studio units. The average off-campus monthly rental rate for a bedroom in a four-bedroom unit would equate to approximately $3,500 for the fall 2020 semester, assuming a four month semester, compared to current average on-campus rate of $3,875, for a bedroom in a four-bedroom unit.

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 Senior Director of Housing & Residential Life, Associate Vice President for Student Affairs 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 University's 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.

The following table sets forth the Housing System's operating budgets and actual results for Fiscal Years 2018-19 and 2019-20, which has been prepared by the University on a cash basis for internal management purposes and has not been audited.

Housing System Operating Budget[1]
(Amounts in Thousands)

	Fiscal Year					
	2018-19			**2019-20**[2]		
	Budget	**Actual**	**Variance**	**Budget**	**Actual**	**Variance**
REVENUE FROM OPERATIONS	**\$ 30,613**	**\$ 30,859**	**\$ 246**	**\$ 25,850**	**\$ 20,742**	**(\$ 5,108)**
EXPENDITURES						
Salaries and Benefits	\$ 4,860	\$ 4,198	(\$ 662)	\$ 4,631	\$ 4,500	(\$ 131)
OPS	1,302	1,327	25	1,693	1,249	(444)
Operating Expense	12,564	12,167	(397)	7,008	5,757	(1,251)
OCO	42	208	166	60	41	(19)
Debt Service Interest	3,319	3,315	(4)	3,138	3,131	(7)
TOTAL OPERATING EXPENSES	**\$ 22,087**	**\$ 21,215**	**(\$ 872)**	**\$ 16,530**	**\$ 14,678**	**(\$ 1,852)**
OPERATING INCOME	**\$ 8,526**	**\$ 9,644**	**\$1,118**	**\$ 9,320**	**\$ 6,064**	**(\$ 3,256)**
NON-OPERATING REVENUES/EXPENDITURES						
Non-Operating Revenue[3]	-	-	-	-	\$ 2,862	\$ 2,862
Investment Income	434	664	230	591	650	59
Principal Payment of Debt	(4,100)	(4,100)	-	(4,275)	(4,275)	0
Net Transfers In/(out)[4]	(16,697)	(8,820)	7,877	(9,320)	(5,467)	3,853
TOTAL NON-OPERATING REVENUES/EXPENSES	**(\$ 20,363)**	**(\$ 12,256)**	**\$ 8,107**	**(\$ 13,004)**	**(\$ 6,230)**	**\$ 6,774**
CHANGE IN NET ASSETS	**(\$ 11,837)**	**(\$ 2,612)**	**\$ 9,225**	**(\$3,684)**	**(\$ 166)**	**\$ 3,518**
CALCULATED FUND BALANCE						
Calculated Fund Balance – Beginning	\$ 28,455	\$ 28,455	-	\$ 25,843	\$ 25,843	-
Change in Net Assets	(11,837)	(2,612)	9,225	(3,684)	(166)	3,518
CALCULATED FUND BALANCE – ENDING	**\$ 16,618**	**\$ 25,843**	**\$ 9,225**	**\$ 22,159**	**\$ 25,677**	**\$ 3,518**

[1] Amounts reflected on the schedule pertain to primary housing operations and do not include other components of housing activities reported in the segment financial statements for the Housing System as a whole.
[2] Fiscal Year 2019-20 Budget excludes approximately \$5.0 million in pass-through meal plan activity in both Operating Revenues and Operating Expenses which were previously included in the budgeted figures for prior fiscal years.
[3] CARES Act funding reimbursement for the partial spring 2020 semester housing fee refunds. See "THE HOUSING SYSTEM – Impacts of COVID-19 on the Operation of Housing System Facilities" and "THE HOUSING SYSTEM –Fiscal Year 2019-20 Housing System Operating Results and COVID-19 Impacts" herein for additional information on the spring 2020 semester housing fee refunds.
[4] Transfers in (out) include transfers out of approximately \$4.0 million in Fiscal Year 2019-20 for the construction of Parkview II.

Discussion of Budget to Actual Results for Fiscal Years 2018-19 and 2019-20. Fiscal Year 2018-19 results reflect higher than budgeted revenues due to increased housing rental revenue. Additionally, Fiscal Year 2018-19 results reflect lower than budgeted operating expenses largely as result of unfilled vacant positions. Fiscal Year 2019-20 revenues and expenses of the Housing System were reduced as a result of the University's response to COVID-19, which is the main cause of the variance between the budget and forecast. See "THE HOUSING SYSTEM – Fiscal Year 2019-20 Housing System Operating Results and COVID-19 Impacts" for additional information. The University used a portion of the funds it received under the CARES Act to reimburse the Housing System, in the form of non-operating revenue, to cover the full cost of the partial Spring 2020 semester housing fee refunds.

The University requires all first-time in college students and other freshmen living in University housing facilities to participate in the mandatory meal membership program for the fall and spring semesters of their first year. Additionally, freshman that live off campus for the fall semester, or transfer from another university, and live on campus in University housing facilities for the spring semester are required to participate in the mandatory meal membership program for the spring semester. Prior to Fiscal Year 2019-20, the cost of the mandatory meal plans to housing students was collected by the Housing System and passed through to the outside contractor. These revenues and expenses were recorded on the Housing System's financial statements and annual budgets. In Fiscal Year 2018-19, the mandatory meal plan accounted for approximately $5.0 million of revenues and $5.0 million of operating expenses. Beginning with Fiscal Year 2019-20, the University no longer includes the revenues and operating expenses from meal plans as part of the Housing System operating budget.

Selected Historical Financial Information for Fiscal Year 2015-16 through 2019-20

The following two tables set forth selected historical financial information for the University Housing System for Fiscal Years 2015-16 through 2019-20. 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 activities of the Housing System are included in the University Financial Statements. The University's financial statements are subject to audit procedures as part of the audit of Florida's Comprehensive Annual Financial Report and are independently audited by the State Auditor General's office. The information provided in the following two tables 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.

Housing System Statements of Net Position
(Unaudited)

	At June 30,				
	2016	**2017**	**2018**	**2019**	**2020**
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	$ 1,466,457	$ 1,806,274	$ 1,945,851	$ 659,737	$ 1,879,129
Investments	21,921,808	24,298,159	23,360,149	23,729,621	23,634,812
Accounts Receivable, Net	795,100	545,372	663,155	497,093	385,019
TOTAL CURRENT ASSETS	**$ 24,183,365**	**$ 26,649,805**	**$ 25,969,155**	**$ 24,886,451**	**$ 25,898,960**
NONCURRENT ASSETS					
Restricted Cash and Cash Equivalents	6,164	10,372	-	-	-
Restricted Investments	-	-	12,283	16,428	22,036
Furniture and Equipment	1,175,653	1,211,549	1,270,054	1,402,071	1,066,873
Buildings	161,185,281	161,185,281	161,185,281	161,185,281	166,953,971
Construction in Progress	1,195,076	3,213,779	9,022,950	15,516,975	14,095,173
Accumulated Depreciation	(38,620,573)	(42,408,893)	(46,213,374)	(49,922,469)	(53,393,060)
TOTAL NONCURRENT ASSETS	**$ 124,941,601**	**$ 123,212,088**	**$ 125,277,194**	**$ 128,198,286**	**$ 128,744,993**
TOTAL ASSETS	**$ 149,124,966**	**$ 149,861,893**	**$ 151,246,349**	**$ 153,084,737**	**$ 154,643,953**
LIABILITIES					
CURRENT LIABILITIES					
Accounts Payable	179,977	1,044,050	103,623	216,809	137,803
Construction Contracts Payable	433,279	266,693	1,040,981	50,411	246,580
Salaries and Wages Payable	163,768	214,923	200,171	228,322	**194,022**
Long-Term Liabilities – Current Portion					
Capital Improvement Debt Payable	3,895,948	4,060,948	4,245,948	4,420,948	4,615,948
Compensated Absences Payable	17,131	16,398	16,239	17,776	21,074
TOTAL CURRENT LIABILITIES	**$ 4,690,103**	**$ 5,603,012**	**$ 5,606,962**	**$ 4,934,266**	**$ 5,215,427**
NONCURRENT LIABILITIES					
Capital Improvement Debt Payable	91,070,878	87,009,930	82,763,982	78,343,035	73,727,087
Compensated Absences Payable	196,469	178,377	191,902	222,599	275,823
TOTAL NONCURRENT LIABILITIES	**$ 91,267,347**	**$ 87,188,307**	**$ 82,955,884**	**$ 78,565,634**	**$ 74,002,910**
TOTAL LIABILITIES	**$ 95,957,450**	**$ 92,791,319**	**$ 88,562,846**	**$ 83,499,900**	**$ 79,218,337**
NET POSITION					
Net Investment in Capital Assets	29,477,165	32,026,085	38,238,382	45,417,875	50,379,923
Restricted for Expendable					
Debt Service	6,164	10,371	12,282	16,428	4,468
Unrestricted	23,684,187	25,034,118	24,432,839	24,150,534	25,041,225
TOTAL NET POSITION	**$ 53,167,516**	**$ 57,070,574**	**$ 62,683,503**	**$ 69,584,837**	**$ 75,425,616**

Housing System Statements of Revenues, Expenses and Changes in Net Position
(Unaudited)

	Fiscal Year Ended June 30,				
	2016	2017	2018	2019	2020
OPERATING REVENUE					
Operating Revenues from Rental Income	$ 30,567,829	$ 29,791,737	$ 31,053,449	$ 31,056,234	$ 20,733,589
TOTAL OPERATING REVENUE	**$ 30,567,829**	**$ 29,791,737**	**$ 31,053,449**	**$ 31,056,234**	**$ 20,733,589**
OPERATING EXPENSES					
Salaries and Wages	4,644,617	5,289,723	5,466,015	5,557,848	5,804,918
Services and Supplies	9,497,411	10,225,619	10,678,545	10,113,800	3,917,334
Utilities and Communications	2,367,229	2,176,844	2,429,840	2,230,268	1,913,579
Scholarships, Fellowships, and Waivers	-	-	98	-	-
Depreciation and Amortization Expense	3,712,309	3,805,238	3,804,481	3,785,575	3,846,799
TOTAL OPERATING EXPENSES	**$ 20,221,566**	**$ 21,497,424**	**$ 22,378,979**	**$ 21,687,491**	**$ 15,482,630**
OPERATING INCOME	**$ 10,346,263**	**$ 8,294,313**	**$ 8,674,470**	**$ 9,368,743**	**$ 5,250,959**
NONOPERATING REVENUES (EXPENSES)					
Investment (Loss) Income	10,164	141,936	226,642	672,046	644,815
Other Non-operating Revenues [1]	34,440	36,373	69,033	33,561	2,901,963
Interest on Capital Asset-Related Debt	(3,693,612)	(3,522,315)	(3,357,216)	(3,173,016)	(2,992,016)
Other Non-operating Expenses	(374,576)	-	-	-	-
TOTAL NONOPERATING EXPENSES	**($ 4,023,584)**	**($ 3,344,006)**	**($ 3,061,541)**	**($ 2,467,409)**	**$ 554,762**
INCOME BEFORE TRANSFERS	**$ 6,322,679**	**$ 4,950,307**	**$ 5,612,929**	**$ 6,901,334**	**$ 5,805,721**
Transfers In (Out)	26,026	(1,047,249)	-	-	**35,058**
CHANGE IN NET POSITION	**$ 6,348,705**	**$ 3,903,058**	**$ 5,612,929**	**$ 6,901,334**	**$ 5,840,779**
NET POSITION, BEGINNING OF YEAR	**46,818,811**	**53,167,516**	**57,070,574**	**62,683,503**	**69,584,837**
NET POSITION, END OF YEAR	**$ 53,167,516**	**$ 57,070,574**	**$ 62,683,503**	**$ 69,584,837**	**$ 75,425,616**

[1] Fiscal Year 2019-20 includes $2.86 million transfer in of CARES Act funds used to cover the spring 2020 housing refunds.

Discussion and Analysis of Financial Condition and Results of Operations for Fiscal Year 2015-16 through 2018-19

Statement of Net Position. As shown in the above tables, the Housing System's assets increased at an average annual growth rate of 0.89%, or a total of $4.0 million, from $149.1 million at June 30, 2016 to $153.1 million at June 30, 2019. These amounts are reported net of accumulated depreciation. Over the same period, total liabilities decreased at an average annual rate of 4.3%, or a total of $12.5 million, from $96.0 million at June 30, 2016 to $83.5 million at June 30, 2019. The decrease in liabilities is primarily attributed to scheduled payments on outstanding debt. The Housing System's total net position increased at an average annual growth rate of 10.3%, or $16.4 million, from $53.2 million at June 30, 2016 to $69.6 million at June 30, 2019. The total net position at June 30, 2019 consisted primarily of $45.4 million of net investment in capital assets and $24.1 million unrestricted.

Statement of Revenues, Expenses, and Changes in Net Position. The operations of the Housing System depend 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. The largest component of Housing System operating revenues is rental income. Net revenues of the Housing System are the 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 consist of investment income, interest expense, and adjustments to the fair market value of investments.

As shown in the above tables, operating revenues increased from $30.6 million in Fiscal Year 2015-16 to $31.1 million for the Fiscal Year 2018-19. The slight increase in total operating revenue over this period is a result of rental rate adjustments. Operating expenses increased from $20.2 million in Fiscal Year 2015-16 to $21.7 million in Fiscal Year 2018-19. The increase in expenses is due to increased salaries and wages and services and supplies. Operating expenses provided above include depreciation expenses which are excluded from the definition of Current Expenses for the purposes of calculating Pledged Revenues.

Fiscal Year 2019-20 Housing System Operating Results and COVID-19 Impacts

As shown in the above tables and based on information for Fiscal Year 2019-20, the Housing System's operating revenues decreased by approximately $10.3 million and operating expenses decreased by approximately $6.2 million during Fiscal Year 2019-20 compared to the prior year 2018-19. The decreases in revenues and expenses are primarily a result of the University no longer including the pass-through mandatory meal plan payments as part of the Housing System financial statements as well as the impacts of the public health crisis created by COVID-19 on the operations of the Housing System. COVID-19 continues to impact the operation and financial position of the Housing System.

The University estimates that Housing System operating revenues and expenses were each reduced by approximately $5.0 million due to the University no longer passing the mandatory meal plan revenues through the financial statements or budgets of the Housing System beginning in Fiscal Year 2019-20; however, these revenues have historically been balanced out with a corresponding operating expense entry, and the impact to net operating revenues from this accounting change is zero. See "THE HOUSING SYSTEM – Budgetary Information" for additional information.

The University estimates that the Housing System lost approximately $5.86 million of revenues in Fiscal Year 2019-20 as a result of the University's response to COVID-19, as set forth above in "THE HOUSING SYSTEM – Impacts of COVID-19 on the Operation of Housing System Facilities." The lost revenues consisted of approximately $2.86 million from partial refunds of spring 2020 semester housing fees and lost summer 2020 semester rental revenues of approximately $3.0 million resulting from the closure of on-campus housing facilities for all summer 2020 sessions. However, the reduction in revenue was partially offset by a transfer into the Housing System of $2.86 million of federal stimulus funds made available to the University from the institutional portion of the Higher Education Emergency Relief Fund ("HEERF") under the CARES Act to cover the full cost of the partial refunds of spring 2020 semester housing fees. These funds are reflected as "Other Non-operating Revenues" in the financial statements of the Housing System. Additionally, lower operating expenses due to decreased utility usage and reduced staffing needs following the closure of the housing facilities further offset revenue losses for Fiscal Year 2019-20 by approximately $1.8 million. The estimated net impact of COVID-19 to the Housing System net operating revenues for Fiscal Year 2019-20 was approximately $4.06 million with the impact to net assets reduced to approximately $1.2 million after recognizing the $2.86 million transfer in of CARES Act funds.

The total net position of the Housing System at June 30, 2020 of $75.4 million consisted primarily of $50.4 million of net investment in capital assets and approximately $25 million unrestricted cash and investments; however, the University has dedicated approximately $9.2 million of its available Housing System funds to complete the construction of Parkview Hall II in Fiscal Year 2020-21 and Fiscal Year 2021-22. See "THE HOUSING SYSTEM – Capital Improvement Plan" for additional information on the University's cash contribution for the construction of Parkview Hall II.

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Historical Pledged Revenues and Debt Service Coverage

Presented below are historical operating results and debt service coverage ratios for Fiscal Years 2015-16 through 2019-20. For more information on the reduction to Pledged Revenues and debt service coverage in Fiscal Year 2019-20, see "THE HOUSING SYSTEM –Fiscal Year 2019-20 Housing System Operating Results and COVID-19 Impacts" above for more information.

Historical Debt Service Coverage[1]

	Fiscal Year				
	2015-16	**2016-17**	**2017-18**	**2018-19**	**2019-20**
OPERATING REVENUES					
Rental Income [2]	$ 30,567,829	$ 29,791,737	$ 31,053,449	$ 31,056,234	$ 20,733,589
TOTAL HOUSING SYSTEM REVENUES	**$ 30,567,829**	**$ 29,791,737**	**$ 31,053,449**	**$ 31,056,234**	**$ 20,733,589**
CURRENT EXPENSES [3]					
Personnel Services	$4,644,617	$ 5,289,723	$ 5,466,015	$ 5,557,848	$ 5,804,918
Contractual Services [4]	9,497,411	10,225,619	10,678,545	10,113,800	3,917,334
Other Operating Expenses	2,367,229	2,176,844	2,429,938	2,230,268	1,913,579
Less: One-time Capital Expenditures [5]	(2,642,156)	-	-	-	-
Less: Administrative Overhead [6]	(725,631)	(836,391)	(854,205)	(822,695)	(746,145)
TOTAL CURRENT EXPENSES	**$ 13,141,470**	**$ 16,855,795**	**$ 17,720,293**	**$ 17,079,221**	**$ 10,889,686**
NET HOUSING SYSTEM REVENUES	**$ 17,426,359**	**$ 12,935,942**	**$ 13,333,156**	**$ 13,977,013**	**$ 9,843,903**
Plus Interest Income [7]	42,842	146,843	225,544	663,622	644,815
PLEDGED REVENUES	**$ 17,469,201**	**$ 13,082,785**	**$ 13,558,700**	**$ 14,640,635**	**$ 10,488,718**
TOTAL ANNUAL DEBT SERVICE	**$ 9,304,576**	**$ 7,418,263**	**$ 7,418,163**	**$ 7,418,963**	**$ 7,412,963**
MAXIMUM ANNUAL DEBT SERVICE	**$ 9,304,576**	**$ 7,482,619**	**$ 7,482,619**	**$ 7,482,619**	**$ 7,482,619**
COVERAGE RATIOS					
Annual Debt Service	1.88x	1.76x	1.83x	1.97x	1.41x
Maximum Annual Debt Service	1.88x	1.75x	1.81x	1.96x	1.40x
Impact of Transfer In of CARES Act Funds [8]					
(for illustrative purposes only)					
Reimbursement of Spring 2020 Housing Refunds	n/a	n/a	n/a	n/a	$ 2,862,380
Pro Forma Revenues Available for Debt Service	n/a	n/a	n/a	n/a	$ 13,351,098
Adjusted Coverage Ratios					
Annual Debt Service	n/a	n/a	n/a	n/a	1.80x
Maximum Annual Debt Service	n/a	n/a	n/a	n/a	1.78x

1 The financial information related to revenues and expenses was provided by the University and has not been audited.
2 Rental Income also includes net revenues from the sale of permits required to park in the 300 space Parkview Garage associated with Parkview Hall. Fiscal Year 2019-20 also excludes $5.0 million in mandatory meal plan pass-through activity, which was included in prior Fiscal Years.
3 Current Expenses include costs associated with salaries, utilities, routine maintenance, supplies and repairs, and exclude depreciation expense and University administrative overhead charges. For Fiscal Year 2019-20, also excludes $5.0 million in mandatory meal plan pass-through costs, which were included in prior Fiscal Years.
4 Fiscal Year 2016-17 Contractual Services includes approximately $1.5 million for interior renovations to University Towers.
5 These are one-time capital expenses that are not incidental to the normal operations and maintenance of the Housing System. Such expenditures in Fiscal Year 2015-16 were a result of approximately $1.5 million for re-roofing, lighting, and air conditioning for University Park Apartments and approximately $900,000 for fire alarms, lighting, and room furniture for Panther Hall.
6 Administrative overhead expenditures are transfers made to the University for shared services and are subordinate to debt service payments.
7 Interest income only reflects realized income.
8 The coverages shown here are illustrative to reflect the transfer of funds from the University that it received from the institutional portion of the HEERF under the CARES Act and subsequently transferred to the Housing System, which reimbursed the Housing System for the full amount of the partial spring 2020 semester housing fee refunds that were issued to students. However, these funds are not a Pledged Revenues. See "THE HOUSING SYSTEM – Fiscal Year 2019-20 Housing System Operating Results and COVID-19 Impacts" above for additional information.

Projected Pledged Revenues and Debt Service Coverage

The following table shows the projected debt service coverage for the current and next four Fiscal Years for the Outstanding Bonds and the 2021A Bonds based on projected Housing System revenues and expenses which have been prepared by the University. Projected revenues are based on assumed rental rate increases of 3% for Fiscal Year 2022-23 and 2% thereafter; however, such rate increases are subject to approval by the University Board of Trustees. The projected increase in revenues, expenses, and debt service shown in Fiscal Year 2022-23 is a result of the planned opening of Parkview Hall II in that year, which was financed with proceeds of the 2020A Bonds. Debt service on the 2020A Bonds prior to Fiscal Year 2022-23 and during construction of Parkview Hall II will be paid from proceeds of the 2020A Bonds. ***The projections are based on the best information available when the estimates are made, 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. Additionally, it is possible that the full financial impact of COVID-19 on the Housing System and its financial position for Fiscal Year 2020-21 will change, potentially significantly, as circumstances and events evolve.***

Impacts of COVID-19 on Projected Pledged Revenues. The Fiscal Year 2020-2021 revenue projections are based on occupancy rates of 51%, 64%, and 30% for the fall 2020, spring 2021, and summer 2021 semesters, respectively. See "THE HOUSING SYSTEM – Impact of COVID-19 on the Demand for On-Campus Housing" for a description of the basis for these assumptions. Based on the projected occupancy rates, Housing System revenues are projected to be approximately $10.3 million below budgeted levels for Fiscal Year 2020-21. The University has taken steps to mitigate the projected revenue losses and estimates that Housing System expenditures will be reduced by approximately $1.6 million compared to budgeted levels for Fiscal Year 2020-21 as a result of the freeze of open positions, reduction of OPS positions, and the reduction of furniture, fixture, and equipment expenses to minimum required levels. The University intends to further mitigate revenue losses by offsetting eligible Housing System expenditures and replacing a portion of lost rental income with federal stimulus funds from the CARES Act and CRRSAA. The University previously planned to further reduce expenses by scaling back on repairs and maintenance to meet only essential needs; however, the University now plans to incur $1.8 million of those budgeted expenses, which it plans to offset with transfers of funds it received under the CRRSAA. The University anticipates that it will transfer approximately $4.6 million to the Housing System from funds it receives under the CARES Act (approximately $2.8 million) and from the Higher Education Emergency Relief Fund II ("HEERF II") under the CRRSAA (approximately $1.8 million), to be used to defray expenses associated with COVID-19, including replacing lost revenues and reimbursing prior expenditures. While these CARES Act and the CRRSAA funds may be used by the University to mitigate the impacts of COVID-19 on the Housing System, these funds are not Pledged Revenues for the repayment of the Bonds, and as such their impact on the projected debt service coverage is included herein for illustrative purposes only. In addition to the CARES Act and CRRSAA funds, the Housing System had unrestricted cash and investments of approximately $25 million as of June 30, 2020, available to offset the impact of unexpected expenses and revenue declines from COVID-19 and ensure the University's ability to pay debt service on its Outstanding Bonds. Although not anticipated to be needed, the University also has carryforward funds and other unrestricted unallocated University reserves as well as unused allocations of funds from the institutional portion of the HEERF II grant under the CRRSAA, a portion of which may be available, if needed, to cover any revenue shortfalls of the Housing System. See Appendix G "FLORIDA INTERNATIONAL UNIVERSITY – Impact of COVID-19 on the University and Operating Budget" attached hereto for additional information.

The revenue projections provided below assume occupancy rates remain marginally affected by COVID-19 in Fiscal Year 2021-22, with projected occupancy rates improving each semester and beginning to approach historical levels. The below projections assume occupancy rates of 90% for the fall 2021 semester and 95% for the spring 2022 semester, compared to historical levels of 99-100%. The University anticipates that occupancy rates will return to historical levels beginning with the summer 2022 semester. See "THE HOUSING SYSTEM – Impact of COVID-19 on the Operation of Demand for On-Campus Housing System Facilities" herein for additional information. **However, the duration of the impacts of COVID-19 on the projected revenues and expenses of the Housing System will depend on developments which may be beyond the control of the Board of Governors and the University and may differ materially from the projections provided herein.**

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Projected Pledged Revenues and Debt Service Coverage[1]

	Fiscal Year				
	2020-21	**2021-22**	**2022-23**	**2023-24**	**2024-25**
OPERATING REVENUES					
Rental Income [2]	$ 15,552,959	$ 24,195,286	$ 31,533,958	$ 32,205,962	$ 32,898,463
TOTAL HOUSING SYSTEM REVENUES	**$ 15,552,959**	**$ 24,195,286**	**$ 31,533,958**	**$ 32,205,962**	**$ 32,898,463**
CURRENT EXPENSES					
Personnel Services	$ 5,279,500	$ 6,644,766	$ 7,248,468	$ 7,393,437	$ 7,541,306
Contractual Services	2,202,890	3,663,726	4,568,165	4,659,529	4,752,719
Other Operating Expenses	3,808,266	4,471,473	5,150,646	5,253,659	5,358,732
Less: Administrative Overhead [3]	(790,346)	(966,914)	(1,110,009)	(1,132,209)	(1,154,853)
TOTAL CURRENT EXPENSES [4]	**$ 10,500,310**	**$ 13,813,051**	**$ 15,857,270**	**$ 16,174,416**	**$ 16,497,904**
NET HOUSING SYSTEM REVENUES	**$ 5,052,649**	**$ 10,382,235**	**$ 15,676,688**	**$ 16,031,546**	**$ 16,400,559**
Plus Interest Income [5]	158,000	646,875	52,785	53,841	54,918
PLEDGED REVENUES	**$ 5,210,649**	**$ 11,029,110**	**$ 15,729,473**	**$ 16,085,387**	**$ 16,455,477**
ANNUAL DEBT SERVICE	**$7,285,730**	**$6,543,575**	**$10,454,075**	**$10,454,975**	**$10,516,725**
MAXIMUM ANNUAL DEBT SERVICE	**10,516,725**	**10,516,725**	**10,516,725**	**10,516,725**	**10,516,725**
COVERAGE RATIOS					
Annual Debt Service	0.72x	1.69x	1.50x	1.54x	1.56x
Maximum Annual Debt Service	0.50x	1.05x	1.50x	1.53x	1.56x
Impact of Transfer In of CARES Act and CRRSAA Funds [7]					
(for illustrative purposes only)					
Transfer In of Funds to Replace Lost Revenues	$ 4,595,693	n/a	n/a	n/a	n/a
Pro Forma Revenues Available for Debt Service	$ 9,806,342	n/a	n/a	n/a	n/a
Adjusted Coverage Ratios					
Annual Debt Service	1.35x	n/a	n/a	n/a	n/a
Maximum Annual Debt Service	0.93x	n/a	n/a	n/a	n/a

[1] The financial information related to revenues and expenses was provided by the University and has not been audited.
[2] Rental income also includes net revenues from the 300 parking spaces associated with Parkview I.
[3] Administrative overhead expenditures are transfers made to the University for shared services and are subordinate to debt service payments.
[4] Current expenditures include costs associated with salaries, utilities, routine maintenance, supplies and repairs, less depreciation expense.
[5] Includes estimated interest income on the operating funds of the housing system.
[6] The coverages shown here are illustrative to reflect the transfer of approximately $4.6 to the Housing System from the University to defray Housing System expenses associated with COVID-19 from funds that the University received under the CARES Act and CRRSAA. However, these funds constitute a one-time transfer and are not a Pledged Revenue of the Bonds. See "THE HOUSING SYSTEM – Projected Pledged Revenues and Debt Service Coverage" above for additional information.

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SCHEDULE OF DEBT SERVICE

The table below shows the debt service on the on the Bonds which will be Outstanding subsequent to the refunding that will be accomplished with the proceeds of the 2021A Bonds, as well as the debt service on the 2021A Bonds, and the total debt service.

Fiscal Year	Outstanding	Debt Service on the 2021A Bonds			Total
Ending June 30	Bonds[1]	Principal	Interest	Total	Debt Service
2021[2]	$6,910,628	-	$375,102	$375,102	$7,285,730
2022	2,021,775	$2,745,000	1,776,800	4,521,800	6,543,575
2023	5,939,525	2,875,000	1,639,550	4,514,550	10,454,075
2024	5,944,175	3,015,000	1,495,800	4,510,800	10,454,975
2025	5,946,675	3,225,000	1,345,050	4,570,050	10,516,725
2026	5,946,925	2,575,000	1,183,800	3,758,800	9,705,725
2027	5,944,775	2,700,000	1,055,050	3,755,050	9,699,825
2028	5,942,275	2,835,000	920,050	3,755,050	9,697,325
2029	5,947,181	1,615,000	778,300	2,393,300	8,340,481
2030	5,948,719	1,700,000	697,550	2,397,550	8,346,269
2031	5,941,594	1,780,000	612,550	2,392,550	8,334,144
2032	5,942,863	1,870,000	523,550	2,393,550	8,336,413
2033	5,946,538	1,945,000	448,750	2,393,750	8,340,288
2034	5,946,988	2,005,000	390,400	2,395,400	8,342,388
2035	3,930,050	2,065,000	330,250	2,395,250	6,325,300
2036	3,926,550	2,125,000	268,300	2,393,300	6,319,850
2037	3,925,950	2,170,000	225,800	2,395,800	6,321,750
2038	3,928,100	2,215,000	182,400	2,397,400	6,325,500
2039	3,927,850	2,255,000	138,100	2,393,100	6,320,950
2040	3,925,200	2,305,000	93,000	2,398,000	6,323,200
2041	3,925,150	2,345,000	46,900	2,391,900	6,317,050
2042	3,927,550	-	-	-	3,927,550
2043	3,927,250	-	-	-	3,927,250
2044	3,929,250	-	-	-	3,929,250
2045	3,928,400	-	-	-	3,928,400
2046	3,929,700	-	-	-	3,929,700
2047	3,928,000	-	-	-	3,928,000
2048	3,928,300	-	-	-	3,928,300
2049	3,925,450	-	-	-	3,925,450
2050	3,929,450	-	-	-	3,929,450
Total	**$143,112,835**	**$46,365,000**	**$14,527,052**	**$60,892,052**	**$204,004,887**

1 Interest payments on 2020A Bonds due in Fiscal Years 2021 and 2022, which will be paid from bond proceeds, are excluded.

2 Fiscal Year 2021 includes approximately $508,000 of accrued interest on the Refunded Bonds transferred to the Escrow Deposit Trust Fund.

PROVISIONS OF STATE LAW

Bonds Legal Investment for Fiduciaries

The State Bond Act provides that all bonds issued by the Division 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 2021A Bonds will have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code – Investment Securities Law of the State.

TAX MATTERS

Federal Tax Treatment of 2021A Bonds

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 2021A Bonds in order that interest on the 2021A Bonds be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the 2021A Bonds to be included in federal gross income retroactive to the date of issuance of the 2021A 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 2021A 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 of Governors, the Division, 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 2021A Bonds. In the opinion of Bond Counsel, assuming compliance with certain covenants, under existing laws, regulations, judicial decisions, and rulings, interest on the 2021A Bonds is excluded from gross income for purposes of federal income taxation. Interest on the 2021A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax.

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 2021A Bonds. Prospective purchasers of 2021A Bonds should be aware that the ownership of 2021A 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 2021A Bonds, or, in the case of a financial institution, that portion of the owner's interest expense allocable to interest on 2021A Bonds; (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by the applicable statutory percentage of certain items, including interest on 2021A Bonds; (iii) the inclusion of interest on 2021A Bonds in earnings of certain foreign corporations doing business in the United States for purposes of the branch profits tax; (iv) the inclusion of interest on 2021A 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 2021A Bonds in "modified adjusted gross income" by recipients of certain Social Security and Railroad Retirement benefits for the purposes of determining whether such benefits are included in gross income for federal income tax purposes.

As to questions of fact material to the opinion of Bond Counsel, Bond Counsel will rely upon representations and covenants made on behalf of the Board of Governors and the Division, certificates of appropriate officers and certificates of public officials (including certifications as to the use of proceeds of the 2021A Bonds and of the property financed or refinanced thereby), without undertaking to verify the same by independent investigation.

PURCHASE, OWNERSHIP, SALE, OR DISPOSITION OF THE 2021A BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE PURCHASERS AND BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Information Reporting and Backup Withholding

Interest paid on tax-exempt bonds such as the 2021A 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 2021A 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 2021A Bonds, under certain circumstances, to "backup withholding" at the rate specified in the Code with respect to payments on the 2021A Bonds and proceeds from the sale of 2021A Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of 2021A Bonds. This withholding generally applies if the owner of 2021A 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 payer 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 2021A 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.

Other Tax Matters

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 2021A Bonds. Similar proposals may also be considered by the State legislature. In some cases, these legislative 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 2021A Bonds. Additionally, future legislative proposals could affect the federal tax consequences resulting from ownership of the 2021A Bonds and their market value. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the 2021A Bonds. No assurance can be given against legislative proposals will not be enacted and court orders that would apply to, or have an adverse effect upon, the tax treatment of the 2021A Bonds, their market value, and their ability to be sold in the secondary market. Prospective purchasers of the 2021A Bonds should consult their own tax advisors as to the tax consequences of owning the 2021A Bonds in their particular state or local jurisdiction and regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Tax Treatment of Original Issue Discount and Original Issue Premium

The 2021A Bonds maturing in 2038 through 2041 (the "Discount Bonds") were offered and sold to the public at an original issue discount. Under the Code, the difference between the maturity amount of the Discount 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 the Discount Bonds of the same maturity and, if applicable, interest rate, was sold is "original issue discount." Original issue discount will accrue over the term of the Discount Bonds at a constant interest rate compounded periodically. A purchaser who acquires the Discount 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 or she holds the Discount Bonds, and will increase his or her adjusted basis in the Discount Bonds by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or disposition of the Discount Bonds. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of the Discount 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.

The 2021A Bonds maturing in 2022 through 2037 (the "Premium Bonds") were offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity. The difference between the principal amount of the Premium 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 such Premium Bonds of the same maturity and, if applicable, interest rate, was sold constitutes to an initial purchaser amortizable bond premium, which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each of the Premium Bonds, which ends on the earlier of the maturity or call date for each of the Premium Bonds which minimizes the yield on such Premium Bonds to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation in the initial offering is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Bonds.

Prospective purchasers and bondholders of any such Discount Bonds or Premium Bonds should consult their own tax advisors with respect to determination for federal income tax purposes of original issue discount and amortizable bond premium, as applicable, the treatment upon the sale, redemption, or other disposition of Discount Bonds or Premium Bonds, as applicable, and the state and local tax consequences of owning and disposing of Discount Bonds or Premium Bonds, as applicable.

State Taxes

The 2021A 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 upon corporations 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 2021A Bonds should consult their own attorneys and advisors for the treatment of the ownership of the 2021A Bonds for estate tax purposes.

The 2021A 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

Variable Rate Debt and Derivatives

The Division does not generally issue variable rate debt or enter into derivative contracts in connection with its bond issues. The Division does not have any outstanding variable rate debt and has not entered into any derivative transactions on behalf of the state or any of its agencies.

Investment of Funds

All State funds are invested by either the Chief Financial Officer or the Board of Administration.

Funds held pursuant to the Resolution – The Resolution directs the manner in which amounts held in the various funds may be invested. At closing, the net proceeds of the 2021A Bonds will be deposited as described under the heading "THE REFUNDING PROGRAM." After collection, the Pledged Revenues are transferred to the Revenue Fund in the State Treasury, and amounts required for debt service are transferred to the Sinking Fund held by the Board of Administration.

Investment by the Chief Financial Officer - Funds held in the State Treasury are invested by internal and external investment managers. As of December 31, 2020, the ratio was approximately 55% internally managed funds, 40% externally managed funds, 1% Certificates of Deposit, and 4% in an externally managed Security Lending program. The total portfolio market value on December 31, 2020, was approximately $32.403 billion.

Under State law, the Treasury is charged with investing funds of each State agency and the judicial branch. As of December 31, 2020, approximately $23.226 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, approximately $7.121 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 companies hired 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, 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, 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 FRS Investment Plan investment options, Florida Hurricane Catastrophe Fund moneys, 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, 2020, the Board of Administration directed the investment/administration of 28 funds.

As of December 31, 2020, the total market value of the FRS (Defined Benefit) Trust Fund was approximately $180.068 billion. 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 27 designated funds other than the FRS (Defined Benefit) Trust Fund. As of December 31, 2020, the total market value of these funds equaled approximately $51.930 billion. Each fund is independently managed by the Board of Administration in accordance with the applicable documents, legal requirements and investment plans. 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.

Environmental Risk Factors

With more than 2,000 linear miles of coastline, Florida's weather and natural resources affect its economy in a variety of ways. Economic activity attributable to in-migration and tourism represents a significant part of the State's economy, and the State's warm weather and beaches are responsible for attracting seasonal and permanent residents and tourists to the State. Because of the State's reliance on its natural resources to generate business and sustain in-migration, its economy and financial condition may be vulnerable to the impacts of environmental events, especially hurricanes. The State has mitigated its vulnerability to the impacts of hurricanes with a robust emergency response system, hardened infrastructure through building codes and coastal setbacks, and the establishment of the Florida Hurricane Catastrophe Fund and the Citizens Property Insurance Corporation to stabilize the property insurance market in the State. Notwithstanding multiple hurricanes, State finances and the economy have only experienced temporary economic disruption.

The State has effectively responded to past environmental events, such as multiple hurricanes and the 2010 oil spill in the Gulf of Mexico from the Deepwater Horizon oil drilling rig, and has a variety of resources available to respond to damage caused by such events. The State has financial reserves available to cover response-related expenditures, and, in most cases, the State can request reimbursement from federal relief funds to pay for a portion of such expenditures. In addition, upon a declaration of a state of emergency, Florida law provides the Governor broad spending authority to meet financial needs resulting from a disaster. The Division of Emergency Management ("DEM") was established as part of the State's structure to plan for and respond to both natural and manmade disasters. In addition to coordinating disaster response activities, DEM prepares and implements a statewide Comprehensive Emergency Management Plan and routinely conducts extensive exercises to test state and county emergency response capabilities. In January 2019, the Governor created the Office of Environmental Accountability and Transparency, led by the State's Chief Science Officer, within the Department of Environmental Protection to, in part, conduct scientific research that focuses on current and emerging environmental concerns most pressing to Floridians. In 2019, the Governor created the position of Chief Resilience Officer to work with state agencies to, in part, develop and coordinate the implementation of a comprehensive statewide resilience plan with goals designed to mitigate and adapt to the environmental challenges facing Florida's communities.

The magnitude of the impact on the State's operations, economy, or financial condition from environmental risks is indeterminate and is unpredictable for future natural disasters like hurricanes, tropical storms, and naturally-occurring phenomena like red tide. There can be no assurance that such risks will not adversely affect the operations, economy, or financial condition of the State.

Information Technology Security

Similar to other large organizations, the State (including the individual institutions in the State University System) relies on electronic systems and information technologies ("IT") to conduct operations. Protecting the State's IT infrastructure and data is essential to delivering government services.

The University maintains a security posture designed to protect its data and deter attacks on its IT infrastructure and respond to such attacks to minimize their impact on operations. The University's cybersecurity program follows a multilayered approach with a focus on protecting the integrity, confidentiality, and availability of University's infrastructure, data, electronic systems and information technology. The University's cybersecurity strategy includes a comprehensive set of security policies and procedures, which are designed to guide faculty, staff, and persons of interest in their cybersecurity responsibilities; a security awareness program, which annually educates staff on active cybersecurity threats and security best practices; and a risk-based threat and vulnerability management program, which is internally monitored. Furthermore, the University has deployed endpoint security tools on managed workstations that include whole disk encryption, data loss prevention, and threat prevention. The University has deployed network and wireless security controls as part of its IT infrastructure, both of which are critical components of its overall cybersecurity strategy. Additionally, the University has implemented access and authentication protocols, which includes multi-factor authentication, and industry standard encryption to protect its data in transit and at rest. As a further precaution, the University's cybersecurity program is subjected to routine internal audits to evaluate the effectiveness of the program. The University's cybersecurity strategy is supported by administrative and technical controls, which assist in identifying potential threats and preventing attacks that may target the University's data and IT infrastructure.

In 2014, the Florida Legislature created the Florida Center for Cybersecurity ("Cyber Florida"). Cyber Florida is hosted by the University of South Florida and works with all 12 Florida institutions in the State University System, as well as private industry and local, state, and federal government entities to improve cybersecurity in Florida and its related workforce. Cyber Florida meets quarterly with State University System representatives, and produces annual and five-year reports to the University of South Florida, the Board of Governors, and the Governor. Cyber Florida's goals include positioning Florida as a national leader in cybersecurity, helping to create jobs and enhance the cybersecurity workforce, serving as a cooperative facilitator for state business and higher education communities to share cybersecurity knowledge, and partnering with military installations to assist with homeland cybersecurity defense initiatives.

The Board of Administration acts as the fiscal agent for the bonds that the Division issues on behalf of the State and its agencies. As trustee for the Division's bond programs, the Board of Administration protects its data and IT infrastructure, including data and information related to bond programs, through a multifaceted cybersecurity strategy. The Board of Administration's cybersecurity strategy includes a comprehensive set of security policies and procedures, which are designed to guide staff in their cybersecurity responsibilities; a security awareness program, which educates staff on active cybersecurity threats and security best practices; and a risk-based threat and vulnerability management program, which is internally monitored. Additionally, the Board of Administration has implemented access and authentication protocols, which includes multi-factor authentication, and industry standard encryption to protect data in transit and at rest. As a further precaution, the Board of Administration's cybersecurity program is subjected to routine internal audits to evaluate the effectiveness of the program, as well as annual external audits and penetration testing to identify opportunities to improve its security posture. The Board of Administration's cybersecurity strategy is supported by administrative and technical controls, which assist in identifying potential threats and preventing attacks that may target the Board of Administration's data and IT systems. In the event a cybersecurity issue arises, the Board of Administration has an incident response capability to quickly address such issues, including comprehensive plans and external services to assist with incident response, crisis communication, and breach notification management.

Despite the University's and the Board of Administration's robust cybersecurity policies and procedures designed to protect their data and IT infrastructure, no assurance is given that the State's security measures will prevent cyber-attacks, nor can any assurance be given that any cyber-attacks, if successful, will not have a material impact on State operations.

Bond Ratings

Fitch Ratings and Moody's Investors Service have assigned their municipal bond ratings of A+ (stable outlook) and Aa3 (stable outlook), respectively, to the 2021A Bonds. It is anticipated that S&P Global Ratings will assign its rating of AA (stable outlook) to the 2021A Bonds with the understanding that upon the delivery of the 2021A Bonds, a municipal bond insurance policy insuring the payment when due of the principal of and interest on the 2021A Bonds will be issued by BAM. Additionally, S&P Global Ratings has assigned its underlying rating (i.e., without regard to the municipal bond insurance policy) of A (stable outlook) to the 2021A Bonds. Fitch Ratings, Moody's Investors Service, and S&P Global Ratings are herein referred to collectively as "Rating Agencies". 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.

The Division, the Board of Governors, and the University furnished to such Rating Agencies certain information and material in respect to the State and the 2021A 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 2021A Bonds.

Litigation

There is no litigation pending, or to the knowledge of the University, the Board of Governors, or the Division threatened, which if successful would have the effect of restraining or enjoining the issuance or delivery of the 2021A Bonds or the fixing or collection of the revenues pledged thereto. Nor is there any litigation pending, or to the knowledge of the University, the Board, or the Division threatened, which questions or affects the validity of the 2021A Bonds, the proceedings and authority under which the 2021A Bonds are to be issued or the corporate existence of the Board of Governors or the title of the present officers to their respective offices. The University, the Board of Governors, and the Division from time to time engage in certain routine litigation the outcome of which would not be expected to have any material adverse effect on the issuance and delivery of the 2021A Bonds.

The Board of Governors and the University have been named in multiple pending or threatened potential class action lawsuits by students at various schools within the State University System, including the University. These lawsuits seek refunds for tuition and student fees related to the transition to remote instruction for the spring and summer 2020 semesters as a result of the COVID-19 pandemic. However, the student fees at issue in these lawsuits do not include the revenues pledged to the repayment of the 2021A Bonds. The Board of Governors and the University are actively defending these lawsuits, and the outcome of the lawsuits is not expected to affect the 2021A 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 2021A 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 2021A 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 of Governors and the University will undertake, for the benefit of the beneficial owners and the Registered Owners of the 2021A 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 of Governors (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 (the “CDA”). This undertaking is being made in order to assist the underwriters in complying with Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”). Additionally, the Division has policies and procedures in place to assist the University in complying with disclosure undertakings. The form CDA and the Division’s policies and procedures were amended in response to the two new material events that were added, effective February 27, 2019, to the list of events for which notice is required under the Rule.

Neither the Board or Governors, the University nor the Division has failed to make any disclosures required by the Rule. However, in March 2016, the Board of Governors failed to file a material event notice of a rating downgrade within the prescribed ten business days because neither the University of North Florida nor S&P Global Ratings notified the Board of Governors or the State of the rating downgrade. The material event notice of the rating downgrade was filed four days late upon the Board of Governors and the State learning of the downgrade.

Underwriting

UBS Financial Services Inc. (the “Underwriter”) has agreed to purchase the 2021A Bonds at an aggregate purchase price of $52,343,024.26 (which represents the par amount of the 2021A Bonds plus an original issue premium of $6,370,596.85 and minus the Underwriter’s discount of $392,572.59, which includes a municipal bond insurance premium of $158,400.00). The Underwriter may offer and sell the 2021A Bonds to certain dealers (including dealers depositing bonds into investment trusts), at prices lower than the offering price stated on the inside front cover.

Execution of Official Statement

This Official Statement has been prepared by the Division as agent for the Board of Governors pursuant to Section 215.61(4), Florida Statutes, and the proceedings referred to herein. The Division and the Board of Governors have authorized the execution and delivery of the Official Statement.

DIVISION OF BOND FINANCE of the STATE BOARD OF ADMINISTRATION	BOARD OF GOVERNORS of the STATE UNIVERSITY SYSTEM
J. BEN WATKINS III Director, Division of Bond Finance	SYDNEY KITSON Chair, Board of Governors

APPENDIX A

DEFINITIONS

"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.

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

"2020A Bonds" means the $71,800,000 State of Florida, Board of Governors, Florida International University Dormitory Revenue Bonds, Series 2020A.

"2020 Project" means the 300,000 square foot, 13-story residence hall, with approximately 700 beds, including 20 residence assistant beds, in a mixture of four-bedroom and studio units, each with a common area and a kitchenette, which will also include study lounges and space for student education and social activities, and which will be tentatively known as Parkview II, on the University's main campus, the Modesto Maidique Campus.

"2021A Bonds" or **"Refunding Bonds"** means the $46,365,000 State of Florida, Board of Governors, Florida International University Dormitory Revenue Refunding Bonds, Series 2021A.

"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; and (ii) such other fees or charges, or both, as may be approved by the Board of Administration or the Division, 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.

"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" 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 National Association, or its successor.

"Bonds" means the Outstanding Bonds, the 2020A Bonds and any Additional Bonds.

"Bond Year" means, with respect to a particular Series of Bonds issued under the Resolution, 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.

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

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

"Fourth Supplemental Resolution" means the resolution adopted September 20, 2011, by the Governing Board, authorizing the issuance and sale of $26,000,000 State of Florida, Board of Governors, Florida International University Dormitory Revenue Refunding Bonds (Series to be determined), and amending the Original Resolution.

"Governing Board" means 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.

"Housing System" means the housing system on the campuses of the University which shall include the following: University Park Apartments, Panther Hall, University Park Towers, Everglades Hall, Lakeview Hall, Parkview Hall, the 2020A Project, and 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.

"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) Bonds held by or for the account of the Division or the Board of Governors, 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; and (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 payments).

"Original Resolution" means the resolution adopted on June 9, 1998, as amended by a resolution adopted on September 23, 1998, by the Governing Board 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 2011A Bonds, the Outstanding 2012A Bonds, the Outstanding 2015A Bonds, and the Outstanding 2020A 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.

"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 all or a portion of the Outstanding 2011A Bonds and Outstanding 2012A Bonds.

"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, as amended by the Second Supplemental Resolution, the Fourth Supplemental Resolution, and the Sixth Supplemental Resolution, and as supplemented through the Tenth Supplemental Resolution.

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

"Second Supplemental Resolution" means the resolution adopted August 10, 2004, by the Governing Board, authorizing the issuance and sale of $36,500,000 State of Florida, Florida Education System, Florida International University Dormitory Revenue Bonds, Series 2004A, and amending the Original 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.

"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.

"Sixth Supplemental Resolution" means the resolution adopted March 20, 2012, by the Governing Board, authorizing the issuance and sale of $7,000,000 State of Florida, Board of Governors, Florida International University Dormitory Revenue Refunding Bonds (Series to be determined), and amending 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.

"Tenth Supplemental Resolution" means the resolution adopted December 15, 2020, by the Governing Board authorizing the issuance and sale of not exceeding $54,100,000 State of Florida, Board of Governors, Florida International University Dormitory Revenue Refunding Bonds (Series to be determined) to refund the Refunded Bonds.

"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.

(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:

(Remainder of page intentionally left blank)

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:

____

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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 underlining, 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:

. . . .

(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).

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

(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.

(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. 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.

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

SECTION 8.05 DEFEASANCE.

. . .

(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 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 <u>underlining</u>, 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 <u>Governors</u> ~~Regents~~" <u>or "Board"</u> 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 <u>underlining</u>, 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 <u>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"),</u> ~~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.

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

A RESOLUTION (THE TENTH 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)

ADOPTED
DECEMBER 15, 2020

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A RESOLUTION (THE TENTH 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 terms used in this Tenth Supplemental Resolution are used with the same meaning throughout this Tenth Supplemental Resolution unless the context clearly requires otherwise. All terms used herein that are defined in Article I of the Original Resolution have the same meaning as in the Original Resolution, except to the extent inconsistent with or amended by definitions contained herein, shall apply fully to the Outstanding Bonds and to the Refunding Bonds. The following terms shall have the following meaning herein:

"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.

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

"2020A Bonds" means the $71,800,000 State of Florida, Board of Governors, Florida International University Dormitory Revenue Bonds, Series 2020A, if and when issued.

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

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

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

"Bond Registrar/Paying Agent" means U.S. Bank National Association, formerly known as U.S. Bank Trust National Association, 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 of Bond Finance and shall include any Assistant Secretary to whom the Director delegates authority.

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

"Fourth Supplemental Resolution" means the resolution adopted by the Governing Board on September 20, 2011, authorizing the issuance and sale of the 2011A Bonds, and amending the Original Resolution.

"Housing System" means University Park Apartments, Panther Hall, University Park Towers, Everglades Hall, Lakeview Hall, Parkview Hall, 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, as amended by a resolution adopted on September 23, 1998, by the Governing Board authorizing the issuance of the State of Florida, Board of Regents, Florida International University Housing Facility Revenue Bonds, Series 1998, and as further amended by the Second Supplemental Resolution, the Fourth Supplemental Resolution, and the Sixth Supplemental Resolution.

"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) Bonds held by or for the account of the Division or the Board of Governors, 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; and (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 payments).

"**Outstanding Bonds**" means the Outstanding 2011A Bonds, the Outstanding 2012A Bonds, the Outstanding 2015A Bonds, and the 2020A 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 2011A Bonds and Outstanding 2012A Bonds.

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

"Second Supplemental Resolution" means the resolution adopted August 10, 2004, by the Governing Board, authorizing the issuance and sale of $36,500,000 State of Florida, Florida Education System, Florida International University Dormitory Revenue Bonds, Series 2004A, and amending the Original Resolution.

"Sixth Supplemental Resolution" means the resolution adopted by the Governing Board on March 20, 2012, authorizing the issuance and sale of the 2012A Bonds, and amending the Original Resolution.

“Tenth Supplemental Resolution” means this resolution authorizing the issuance 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 Tenth Supplemental Resolution is adopted pursuant to the provisions of Article VII, Section 11(d) of the Florida Constitution; Sections 215.57-215.83, Florida Statutes, (the “State Bond Act”); Section 1010.62, Florida Statutes; other applicable provisions of law; and the Original Resolution; and it constitutes a resolution authorizing bonds pursuant to the State Bond Act.

SECTION 1.03. RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the acceptance of the Refunding Bonds by the Registered Owners of the Refunding Bonds, the Original Resolution, as amended and supplemented through the date of this Tenth Supplemental Resolution, shall 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 of Governors 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.

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 Original Resolution, fully registered revenue bonds of the Board of Governors 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 to be sold at competitive sale in an aggregate principal amount not exceeding $54,100,000 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, and such bonds or any portion thereof may be taxable or tax-exempt, as determined by the Director. 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 Original 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 cause as many copies as he determines to be necessary of the preliminary official statement and final official statements relating to the public offering of the Refunding Bonds prepared 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 Tenth 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 or an Assistant Secretary of the Governing Board, or as otherwise provided by law.

(I) U.S. Bank 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 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. Eastern 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 Tenth 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 the Bond Registrar/Paying Agent. The Refunding Bonds will bear interest at the interest rate specified by the successful bidder, calculated based on a 360-day year consisting of twelve 30-day months.

(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(B) 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 Tenth Supplemental Resolution shall be funded in an amount determined by the Director, which shall not exceed the Debt Service 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 Original 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 to be sold by the Division.

(O) The Director is hereby authorized to offer for sale a lesser principal amount of Refunding Bonds than that set forth in this Tenth 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 Tenth Supplemental Resolution, the terms, description, execution, negotiability, redemption, authentication, disposition, replacement, registration, transfer, and issuance 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 Original Resolution or this Tenth Supplemental Resolution, or any other resolution relating to the Refunding Bonds (for the purposes of this section, collectively, the "Resolution"), 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, 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 the following:

(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 the following:

(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 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 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 Resolution, as supplemented by this Tenth 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 Tenth Supplemental Resolution to the same extent as if incorporated verbatim in this Tenth 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 Tenth 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 of Governors may lease, from time to time, to other tenants such portion or portions of the Housing System as are not needed by the Board of Governors, 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 "Rule"), the Board of Governors 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 of Governors, is authorized and directed to execute and deliver any documents or agreement which are necessary to comply with the requirements of the Rule. Failure to properly comply with such Rule shall not be an event of default hereunder or under the Original Resolution.

SECTION 5.04. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants or provisions of this Tenth 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 Tenth 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 Tenth 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 of Governors, the Board of Administration shall act as the fiscal agent for the Board of Governors 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 repealed, revoked, and rescinded 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 superseded, 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 superseded, replaced, or abolished shall be taken by the successor to such official.

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

SECTION 5.09. EFFECTIVE DATE. This Tenth Supplemental Resolution shall take effect immediately upon its adoption.

ADOPTED: December 15, 2020.

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 approximately 200 bachelor's, master's, and doctoral degree programs in fields such as engineering, international relations, architecture, law, and medicine. It has approximately 250,000 alumni and enrolls approximately 58,000 students across two campuses – the Modesto A. Maidique campus in western Miami-Dade County and the Biscayne Bay Campus in northeast Miami-Dade County, Florida – plus centers in downtown Miami, South Beach, and Miramar, Florida. More than 17,000 degrees are awarded annually. FIU is the largest university in South Florida and one of the largest public universities in the United States based upon fall 2019 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. Approximately, Ninety-nine 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/Very High Research Activity. FIU's annual research expenditures are approximately $226 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, approximately 85 percent of FIU students are Hispanic, black, or other minorities. FIU takes pride in the impact its graduates make on the nation and the world.

Alumni. The University's approximate 250,000 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 the University. Unlike most university graduates, FIU alumni remain in the region with approximately 83 percent (207,000 alumni) remaining in South Florida.

Economic Impact. The University has approximately 6,497 employees (5,532 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 $1.6 billion. The University has an estimated economic impact of $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 of the State University System of Florida (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.

Governance and Administration

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 State 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 terms of seven years. 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 13 members. The 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 terms of five years. The chair of the faculty senate and the president of the student body of the university are also members. The

[1] Source: Information in Appendix G is provided by Florida International University

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.

University Trustees	Term Expires
Dean C. Colson (Chair)	June 30, 2022
Rogelio Tovar (Vice Chair)	January 6, 2023
Cesar Alvarez	January 6, 2023
Jose J. Armas	January 6, 2021[1]
Leonard Boord	January 6, 2025
Donna Hrinak	January 6, 2025
Natasha Lowell	January 6, 2025
T.Gene Prescott	January 6, 2025
Claudia Puig	January 6, 2021[1]
Joerg Reinhold	July 31, 2022
Chanel Rowe.	January 6, 2026
Marc D. Sarnoff	January 6, 2021[1]
Alexandra Valdes	May 14, 2021

[1] Trustees who were appointed by the Governor and whose terms expired on January 6, 2021 will continue to serve on the Board of Trustees until such time as successor Trustees may be appointed by the Governor.

The establishment of individual university Boards 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. The university president serves as the executive officer and corporate secretary of the Trustees and is responsible for all operations of the university. The president designates other senior administrative officers of the universities. 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.

University Official	Position
Dr. Mark B. Rosenberg	President
Dr. Kenneth G. Furton	Provost, Executive Vice President & Chief Operating Officer
Dr. Elizabeth M. Behar	Senior Vice President, Academic & Student Affairs
Dr. Kenneth A. Jessell	Senior Vice President of Administration & Chief Financial Officer
Ms. Sandra B. Gonzalez-Levy	Senior Vice President of External Relations
Dr. Robert Sackstein	Senior Vice President, Health Affairs
Mr. Howard R. Lipman	Senior Vice President, University Advancement; CEO, FIU Foundation Inc.
El pagnier K. Hudson	Vice Provost, Senior Vice President – Diversity, Equity and Inclusion
Mr. Saif Ishoof	Vice President, Engagement
Kevin Coughlin Jr.	Vice President of Enrollment Services
Ms. Terry Witherell	Vice President of External Relations
Michelle Palacio	Vice President of Governmental Relations
El pagnier K. Hudson	Vice President, Human Resources
Javier I. Marques	Vice President, Operations & Safety Chief of Staff
Mr. Robert Grillo	Vice President of Information Technology Chief Information Officer
Mr. Pablo Ortiz	Vice President, Regional Academic Locations & Institutional Development
Dr. Andres G. Gil	Vice President, Research and Economic Development
Mr. Carlos Castillo	General Counsel
Mr. Pete Garcia	Executive Director, Sports & Entertainment

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. An amendment to the Florida Constitution took effect on January 8, 2019, which requires a two-thirds vote of each chamber of the Legislature to adopt legislation authorizing a new state tax or fee or raising any state tax or fee. As a result, future increases in undergraduate in-state tuition, which require legislative action, will require a two-thirds vote of each chamber of the Legislature for approval.

The University's ability to set and collect certain student service fees provides a meaningful offset to limitations regarding tuition. An amendment to the Florida Constitution took effect on January 8, 2019, which requires a super-majority vote of any university board of trustees (9 of 13 members) to raise, impose, or authorize any university fee.

Bonding Authority. Bond-issuing authority is retained by the Division of Bond Finance of the State Board of Administration of Florida (the "Division of Bond Finance"); the University can borrow through affiliated foundations 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 and four off-campus educational sites in South Florida. The 342-acre Modesto A. Maidique Campus ("MMC") is in southwest Miami-Dade County and the 200-acre Biscayne Bay Campus is in northeast Miami-Dade County. The University operates four off-campus educational sites: the Engineering Center (near MMC); FIU Downtown Center (Brickell neighborhood in downtown Miami); Miami Beach Urban Studios; and FIU at I-75 (Miramar West Broward County). In addition, the University has several major research facilities, the Frost Museum on the Modesto A. Maidique Campus, and the Wolfsonian FIU, a museum located in the historic South Beach neighborhood of Miami Beach that houses a collection of art and design. The University has approximately 90 major buildings totaling over ten million square feet. The Modesto A. Maidique Campus has 65 major buildings, which include two five-story parking garages, four six-story parking garages, 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 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 Legislature and 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 preliminary accreditation. The College of Medicine received full accreditation in February 2013.

The Board of Regents, the predecessor to the Board of Governors, 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 sports. 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.

Since 2010, the University completed the following capital projects: SIPA/Social Sciences, PG5 Market Station, Academic Health Center 4, Stocker Astro-Science Center, Satellite Chiller Plant, Parkview student housing facility, the Mixed Use College of Business Building, Ambulatory Care Center, Academic Health Center 5, the PG6 Tech Station building, Student Academic Support Center, and the expansion of the Recreation Center.

Planning and design is underway for the Frost Museum of Science/Bachelor Environmental Center, International Center for Tropical Botany, and the Green School of International & Public Affairs (SIPA) Phase II. Construction has started on the EOC Facilities Expansion and the Parkview II student housing facility.

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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. Historically, many projects have been funded with Public Education Capital Outlay ("PECO") funds, which are generated from the collection of gross receipts taxes levied on utilities and telecommunication services and are appropriated to State Universities by the Legislature. Various other funding sources, including, but not limited to State appropriated monies from General Revenue and the Educational Enhancement Trust Fund, the Capital Improvement Trust Fund ("CITF") fee, carryforward of accumulated E&G funds ("E&G CF") , private funds, and bond proceeds provide resources to finance the remainder of the capital improvement projects.

Capital Improvement Projects
In Progress at September 16, 2020[1]

	Funding Source						Total
Project Name	**PECO**	**E&G CF**	**Private Funds**	**Unrestricted**	**TBD**	**Bonds-Auxiliary**	**Project Costs**
Frost Museum of Science/ Bachelor Environ. Center	-	-	$5,000,000	-	-	-	$5,000,000
International Center for Tropical Botany	-	-	6,000,000	-	-	-	6,000,000
EOC Facilities Expansion	-	2,502,178	-	5,820,736	-	-	8,322,914
Parkview II Housing	-	-	-	19,569,926	-	71,800,000	91,369,926
Engineering Building Phase I	38,907,641			15,000,000			53,907,641
Green School (SIPA) Phase II	12,701,439	900,000	15,250,000	5,534,299	5,064,262	-	39,450,000
Total	$51,609,080	$3,402,178	$26,250,000	$45,924,961	$5,064,262	$71,800,000	$204,050,481

[1] Projects are in construction or design phase and reflect approved funding. Amounts are estimates and actual total project costs and allocations among funding sources are subject to change.

During the 2020 legislative session, PECO funds of $8,266,104 and CITF funds of $7,002,807 were appropriated to the University. The PECO appropriations were to be used for the Engineering Building Phase I project and the CITF appropriations were to be used for the expansion of the Graham University Center. The table below shows the University's fixed capital outlay budget for Fiscal Year 2020-21.

Fiscal Year 2020-21 Fixed Capital Outlay Budget

Project	**Funding Source(s)**	**Total Project Costs**	**Amount Budgeted**
BBC Lift Station Improvements	E&G CF, Aux.	$ 2,969,354	$ 1,454,677
PG 5 Emergency Operations Center Expansion	E&G CF, Aux., Treasury	8,322,914	6,190,568
PG 6 Classroom/Lab Renovations	E&G CF, Aux.,	1,409,646	1,409,646
SIPA II	E&G CF, PECO, Aux., Donations	39,450,000	17,238,007
University City Prosperity Reno/Repairs	E&G CF, PECO, Aux., Grant	14,769,330	1,343,987
Chemistry & Physics Mold Phase 2	E&G CF	2,907,225	2,394,494
CASE Building Envelope Repairs	E&G CF	2,150,633	2,150,633
Ambulatory Care Center	E&G – E&G MS CF, PECO, Aux.	9,506,041	149,567
Recreation Center Expansion	CITF, Aux.	28,448,639	233,591
MMC Wellness Track	CITF	1,102,996	-
Graham University Center Expansion	CITF	35,982,280	-
BBC Aquatic Center Pool Repairs	CITF, Aux.	2,083,100	518,724
BBC Outdoor Rec Support Building Reno.	CITF, Aux.	842,070	336,621
Satellite Chiller Plant	PECO	16,925,000	83,931
AHC4 – Science Classroom Complex	PECO	57,195,269	92,807
AHC 5 – Graduate Classroom Building	PECO, Aux.	44,865,070	165,750
Engineering Building Phase I	PECO, Donations	53,907,641	7,047,554
Maintenance, Repair, Ren./Rem.	PECO, UCPP Cost Share	3,603,832	28,624
Maintenance, Repair, Ren./Rem., Site Improve	PECO	15,456,560	1,897,341
AHC 3 – Nursing/Allied Health Services	Donations, Courtelis Match, PECO	44,603,031	191,621
BBC Hospitality Management Dining Facility	Donations, Aux.	10,546,959	1,230,524
BBC Frost Museum /Batchelor Center	Donations	5,000,000	-
International Center for Tropical Botany	Donations	6,000,000	-
Casa Cuba	Donations, Grants	34,184,305	-
MANGO Building	Aux.	36,556,836	233,303
Parkview II Housing	Bonds, Aux.	91,369,695	17,615,893
Intramural/Athletic Practice Fields	Aux.	9,470,060	4,918
All Other Minor Auxiliary Funded Projects	Aux.	23,986,841	11,084,280
Consolidated Minor Projects < $2M	E&G CF	15,038,208	14,438,208
	Total	**$ 618,653,535**	**$ 87,535,269**

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The following table lists the University's five-year capital improvement plan in priority level. The timing and source of funding for these capital improvement projects may change depending on the availability of PECO and CITF funds appropriated by the Legislature for these projects in a given year.

Five-Year Capital Improvement Plan and Legislative Budget Request
In Order of Priority[1]

	Request for the Fiscal Year Ending June 30,					Total
Project Name	**2022**	**2023**	**2024**	**2025**	**2026**	**Requested**
Public Education Capital Outlay						
Engineering Building, Phase I & II	$35,000,000	$31,092,359				$66,092,359
Rem/Ren. CASE Building – MMC	7,150,000					7,150,000
Honors College – MMC	2,325,000					2,325,000
Science Lab. Complex – MMC		15,000,000	30,000,000	35,420,000		80,420,000
Academic Health Center Study		6,000,000	12,000,000			18,000,000
Rem/Ren. DM Building MMC		7,000,000	6,800,000			13,800,000
Green Lib. Addition Study MMC			16,000,000	26,000,000	32,600,000	74,600,000
Science/Humanities Center MMC				25,000,000	29,000,000	54,000,000
Rem/Ren. Acad. Data CTR MMC				13,000,000	6,500,000	19,500,000
Rem/Ren. OE Building MMC				10,500,000	10,500,000	21,000,000
Total PECO	**$44,475,000**	**$59,092,359**	**$64,800,000**	**$109,920,000**	**$78,600,000**	**$356,887,359**
Capital Improvement Trust Fund						
Graham University Center	$ 6,834,420	$ 5,843,665				$12,687,085
WUC Renovations	3,000,000	3,000,000				6,000,000
Well/Recr. Fac. Improvements	1,000,000	1,000,000				2,000,000
Well/Recr. Field Support Building	1,140,000	360,000				1,500,000
Total CITF	**$11,974,420**	**$10,203,665**	**$0**	**$0**	**$0**	**$22,178,085**
Total PECO & CITF	**$56,499,420**	**$69,296,024**	**$64,800,000**	**$109,920,000**	**$78,600,000**	**$379,065,444**

[1] List is based on the submission to the Board of Governors and reflects requested funds for projects that are survey recommended.

Impact of COVID-19 on the University

Spring and Summer 2020 Transition to Remote Instruction. In response to the public health crisis created by COVID-19, the Governor of the State of Florida issued Executive Order No. 2020-52 on March 9, 2020, declaring a state of emergency in the State of Florida and on March 17, 2020, the Board of Governors directed state universities to provide the remainder of classes for the Spring 2020 semester by remote instruction. The University took a number of steps to reduce the spread of COVID-19 on its campuses and in the surrounding community, including: asking all students to leave and remain off-campus, converting all courses to remote instruction, closing its housing facilities, reducing the number of staff and faculty working on campus, and cancelling or limiting the size of other campus-based activities for the Spring and Summer 2020 semesters. While university operations were largely transitioned to a remote environment, a small contingency remained on-site. FIU health clinics continued to provide care for students and patients; time-sensitive research went on; FIU police continued their duties; and residential staff, custodial staff, and food vendors remained to support students unable to return home.

The University's Plan and Fall 2020 Reopening. The Board of Governors adopted guidelines for the reopening of State University campuses for the fall 2020 semester and required all State Universities to develop and submit individual reopening plans. The University's plan, which was approved by the Board of Governors on June 23, 2020, includes a phased reopening of its campuses. The plan, Panthers Protecting Panthers, provides members of the community a mobile App to determine if they are healthy to return to campus. The plan also provides for easily accessible testing sites, a process for contact tracing and surveillance, student ambassadors to promote understanding and compliance to the plan and an instructional delivery plan that combines face-to-face and remote instruction.

Repopulating the University's campuses occurred over the summer as local conditions allowed, and the University reopened its campus in August 2020 for the fall semester in accordance with its plan. While most of the faculty and staff will continue to work remotely, as of October 5, 2020, professional staff began to transition back to campus. The campus continues to be closed to visitors except those who have an appointment.

As a result of the pandemic, the primary instructional delivery mode has changed. The majority of classes for fall 2020 (approximately 76%) were provided via online or remote instruction, while approximately 20% were in person via face-to-face or hybrid instruction. Comparatively, 68% of classes were provided in person in fall 2019, while only 32% were online.

COVID-19 did not have a material impact on the University's enrollment for fall 2020. Headcount enrollment was 58,929 as compared to fall 2019 enrollment of 58,787. The impact of the lower housing occupancy rate will be partially mitigated by lower operating expenses due to reductions in personnel and repair/maintenance expenses. Lower Parking System revenues are expected to be completely mitigated by lower operating expenses due to reductions in personnel and operational efficiencies.

Spring 2021. As a result of COIVD-19, the primary instructional delivery mode for spring 2021 classes has continued to be online or remote instruction (approximately 70%).The University has been able to modestly increase the percentage of classes provided in person via face-to-face or hybrid instruction (approximately 30%) as compared to fall 2020. The University's enrollment for spring 2021 was minimally affected by COVID-19. The preliminary headcount for spring 2021 was 55,602 as compared to a final headcount of 56,480 in the spring of 2020.

The University received 2,000 COVID-19 vaccine doses in mid-January 2021, all of which were distributed by the end of the first week of February to eligible members of the University community in accordance with the Governor's Executive Order. Thereafter, University began administering the second dose of the COVID-19 vaccine during the second week February.

Financial Planning. The COVID-19 pandemic may have an adverse impact on the current and future financial position of the University, including its operating performance. However, the University has taken steps to mitigate and offset potential revenue shortfalls including an overall 2.5% expense reduction to the departments' cost base. Additional expense reduction plans have been identified if a change in operations is required. See "Impact of COVID-19 on the Operating Budget" below for additional information.

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 Education and General (E&G) budget consists of State appropriated funding from General Revenue (primarily funded from State sales tax revenues) and the Educational Enhancement Trust Fund (funded from Florida Lottery revenues), and Student Tuition and Matriculation payments. The University receives an allocation of E&G resources from the Legislature, which is developed in accordance with the General Appropriations Act, the Implementing Legislation, the Legislative Appropriations Work Papers, and the Letter of Intent. The University president approves the general guidelines for the allocation of E&G resources at the University level. Within the president's guidelines and the guidelines provided by the 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. The Auxiliary Enterprises budget consists of university business operations that are self-supporting through user fees, payments and charges; these budgets do not receive any General Revenue. 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.

Student Financial Aid. This budget consists of estimated expenditures of revenues received for loans, grants, scholarships and other student financial aid.

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 Activities. This budget consists of planned expenditures to be 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 Sections 1009.24(8) and (9) (a) (b), Florida Statutes.

Technology Fee –.This budget consists of expenditures to enhance instructional technology for students and faculty. These expenditures are funded with the technology fee, which the University is authorized to charge its students. The budget is developed and approved in accordance with Section 1009.24(13), Florida Statutes.

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.

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.

Board Approved Fees – The Board Approved Fees budget consists of the Test Preparation Fee for the University's College of Law, which has been specifically approved by the Board of Governors in accordance with Regulation 7.003(23).

Operating Budget

The University prepares and submits an annual operating budget to the Board of Trustees for approval, which represents the University's plan for utilizing the resources available through direct or continuing appropriation by the Legislature, student fees, and other local sources. The Board of Trustees submits the operating budget to the Board of Governors for review. 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 University President, as are any University-wide reductions. The following table sets forth history of the University's operating budget, by budget entity.

Historical Operating Budget

	Fiscal Year Ended June 30,				
Budget Entity[1]	**2017**	**2018**	**2019**	**2020**	**2021**
Educational and General	$527,102,388	$551,564,562	$581,476,832	$588,421,113	$608,040,286
Auxiliary Enterprises	210,521,540	208,989,678	231,124,221	240,293,504	234,985,247
Contracts and Grants	121,834,350	127,195,344	156,720,156	145,578,878	200,527,916
Student Activities	19,871,967	20,748,631	21,223,881	20,886,433	20,306,297
Intercollegiate Athletics	28,328,269	27,820,293	27,471,560	28,113,445	29,403,489
Campus Concessions	896,350	940,056	883,414	866,238	790,652
Student Financial Aid/Loans	161,088,250	158,633,416	206,264,930	214,587,627	232,496,024
Technology Fee	9,841,535	10,576,488	11,183,203	11,294,385	11,214,108
Self-Insurance	393,271	500,000	500,000	146,868	200,000
Board Approved Fees	420,000	405,856	417,692	422,600	422,600
Faculty Practice	4,629,012	5,692,482	6,081,394	6,341,740	6,595,278
Total	$1,084,926,932	$1,113,066,806	$1,243,347,283	$1,256,952,831	$1,344,981,897

[1] Excludes Student Loans of approximately $250 million (Pass through).

Impact of COVID-19 on the Operating Budget – During Fiscal Year 2019-20, the University received federal awards under the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") of $41.1 million, which includes $38.3 million from the Higher Education Emergency Relief Fund (the "HEERF") and $2.8 million for Minority Serving Institutions. From the HEERF, $19.15 million was disbursed as Emergency Aid to 9,550 students (the Student Aid Portion) and $19.15 million is available to the University as Institutional Support (the Institutional Portion). As of June 30, 2020, the University had expended $6.2 million of its HEERF Institutional Support funds. Additionally, recent State legislation allows State Universities to use carryforward funds as a contingency reserve for expenses incurred as a result of a state of emergency declared by the Governor, such as COVID-19.

During Fiscal Year 2020-21, the University projects that it will use $11.8 million of the approximately $13 million in remaining HEERF Institutional Support funds and the $2.8 million that it was allocated as a Minority Servicing Institution. The University will use the HEERF Institutional Support funds for surveillance testing, personal protective equipment, cleaning, and additional equipment/software to enable distance learning and it will use the Minority Servicing Institution funds to offset lost revenues in the Housing System.

The University has also received supplemental federal awards of $70.9 million from the Higher Education Emergency Relief Fund II (the "HEERF II") authorized by the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (the "CRRSAA"), which includes an allocation of $51.7 million for the University to use as Institutional Support (the Institutional Portion) and $19.2 million that will be disbursed as emergency financial aid grants to students with exceptional needs (the Student Aid Portion). The CRRSAA expanded the allowable uses of Institutional Support funds under HEERF II. The University may use the Institutional Support funds it receives from the HEERF II to defray expenses associated with COVID-19, including lost revenue, reimbursement for expenses already incurred, technology costs associated with the transition to remote instruction, faculty and staff trainings, and payroll. The University may also use such HEERF II funds to carry out student support activities that address needs related to COVID-19. Further, during Fiscal Year 2020-21, the University expects to receive approximately $132.1 million in additional federal awards under the American Rescue Plan Act of 2021 ("ARPA"), which includes $8.2 million for Minority Serving Institutions, $59.7 million designated for emergency grants to students (the Student Aid Portion), and $64.2 as Institutional Support (the Institutional Portion). Institutional Support funds received by the University under ARPA may be used in a manner similar to the CRRSAA, and, additionally, such funds may be used to implement practices to monitor and suppress coronavirus and conduct outreach to financial aid applicants about the opportunity to receive certain financial aid adjustments available under federal law due to the recent unemployment of a family member or independent student.

The University's budget for the Fiscal Year 2020-21 projects the impact of changes implemented by the University in response to COVID-19 on revenues and expenditures for the various budget categories. Additionally, due to the fiscal challenges resulting from COVID-19 at the State level, the Governor implemented budgetary holdbacks of quarterly releases for Fiscal Year 2020-21. As a result, all State Universities are required to hold back 6% of their State appropriations from General Revenue and the Educational Enhancement Trust Fund for Fiscal Year 2020-21.

The University has made plans to mitigate budget uncertainty including reducing its Education and General expenditures by approximately $13.0 million and implementing expense reduction plans where a change in operations is required. Additionally, the University has $51.7 million in unused allocations of Institutional Support funds from the HEERF II, which may be used to defray expenses associated with COVID-19. Finally, the University has carryforward reserves of approximately $106.7 million that it can draw on, which includes $42.6 million from the statutory 7% reserve requirement and $13.6 million that the Board of Trustees has not allocated.

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)	**2016**	**2017**	**2018**	**2019**	**2020[2]**
Student Tuition and Fees, Net	31.86%	31.17%	27.55%	25.73%	24.51%
State Appropriations	28.80%	29.35%	29.10%	29.63%	29.06%
State Contracts, Grants and Scholarships	0.67%	0.86%	0.66%	0.53%	0.52%
Federal Contracts, Grants and Gifts	8.42%	7.66%	8.53%	9.14%	9.41%
Local Contracts, Grants and Gifts	0.25%	0.18%	0.23%	0.24%	0.23%
Private Contracts, Grants and Gifts	1.46%	1.76%	1.74%	1.69%	1.70%
Sales and Services of Educational Departments	0.11%	0.15%	0.12%	0.12%	0.07%
Sales and Services of Auxiliary Enterprises	11.72%	10.98%	10.54%	10.59%	9.33%
Noncapital Grants, Contracts, and Gifts	0.00%	2.50%	2.61%	2.26%	2.18%
Other Operating Revenues	1.67%	2.06%	2.14%	2.42%	2.03%
Federal and State Student Financial Aid	12.34%	11.71%	14.95%	15.93%	18.08%
Net Investment Income	0.35%	1.44%	1.64%	1.56%	1.41%
Other Nonoperating Income	2.35%	0.18%	0.19%	0.16%	1.47%
Total Current Fund Sources	100.00%	100.00%	100.00%	100.00%	100.00%

[1] Source: University's Unaudited Financial Results. Calculations exclude Capital Appropriation and Capital Grants and Contracts revenues.
[2] CARES Act funds are included within Federal and State Student Financial Aid, Other Nonoperating Revenues, and Federal Contracts, Grants and Gifts.

History of General Revenue Appropriations. The following table sets forth the history of General Revenue appropriations available to the University for the past five Fiscal Years. 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**	**Total**
2016-17	$208,014,204	$31,698,518	$239,712,722
2017-18	232,342,734	32,014,049	264,356,783
2018-19	252,458,351	32,314,853	284,773,204
2019-20	244,927,576	32,620,634	277,548,210
2020-21 [1]	258,145,827	32,842,753	290,988,580

[1] In response to budgetary holdbacks announced by the Governor, the University will need to hold back 6% or approximately $17.5 million of its General Revenue appropriations for Fiscal Year 2020-21.

History of Trust Fund Appropriations. The following table sets forth the history of trust fund appropriations available to the University, by budget entity, for the past five Fiscal Years.

History of Revenues Other than General Revenue Appropriations

Fiscal Year	Tuition	Educational Enhancement	Contracts & Grants	Auxiliary Enterprises	Other[1]	Total
2016-17	$254,189,647	$33,200,019	$121,834,350	$210,521,540	$220,446,371	$806,820,375
2017-18	259,628,319	27,579,460	127,195,344	208,989,678	219,124,740	842,517,541
2018-19	263,720,296	32,983,332	156,720,156	231,124,221	267,444,680	951,992,685
2019-20	269,658,194	41,214,709	145,578,878	240,293,504	276,170,728	972,916,013
2020-21[2]	269,938,795	47,112,911	200,527,916	234,985,247	294,633,170	1,047,198,039

[1] Includes Student Activities, Athletics, Concessions, Financial Aid

[2] Fiscal Year 2020-21 is budgeted. All other years are actual. In response to budgetary holdbacks announced by the Governor, the University will need to hold back 6% or approximately $2.83 million of its Educational Enhancement Trust Fund appropriations for Fiscal Year 2020-21.

Tuition and Fees. The following tables lists the registration and tuition fees, and local fees, and flat fees charged to each undergraduate and graduate student per credit hour for the current and past five academic years. Local fees are assessed to both in-state and out-of-state undergraduate and graduate students on an academic year basis and flat fees are assessed on a per term (semester) basis.

Current and Historical Tuition and Fees
Undergraduate Students
Per Credit Hour

	Academic Year					
Registration and Tuition Fees	**2015-16**	**2016-17**	**2017-18**	**2018-19**	**2019-20**	**2020-21**
In-State Student Fees:						
Matriculation Fee	$105.07	$105.07	$105.07	$105.07	$105.07	$105.07
Tuition Differential	52.29	52.29	52.29	52.29	52.29	52.29
Student Financial Aid Fee	5.25	5.25	5.25	5.25	5.25	5.25
Capital Improvement Trust Fund Fee	6.76	6.76	6.76	6.76	6.76	6.76
In-State Subtotal	**$169.37**	**$169.37**	**$169.37**	**$169.37**	**$169.37**	**$169.37**
Additional Out-of-State Student Fees:						
Tuition	$393.62	$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	19.68
Out-of-State Subtotal	**$580.67**	**$580.67**	**$580.67**	**$580.67**	**$580.67**	**$580.67**
Local Fees[1]						
Activity & Service Fee	$14.85	$14.85	$14.85	$14.85	$14.45	$14.45
Technology Fee[2]	5.25	5.25	5.25	5.25	5.25	5.25
Athletic Fee	16.10	16.10	16.10	16.10	16.50	16.50
Local Fees Subtotal	**$36.20**	**$36.20**	**$36.20**	**$36.20**	**$36.20**	**$36.20**
Total In-State Tuition and Fees (per credit hour)	**$205.57**	**$205.57**	**$205.57**	**$205.57**	**$205.57**	**$205.57**
Total Out-of-State Tuition and Fees (per credit hour)	**$618.87**	**$618.87**	**$618.87**	**$618.87**	**$618.87**	**$618.87**
Per Student Flat Fees[3]						
Athletic Fee	$10.00	$10.00	$10.00	$10.00	$10.00	$10.00
Health Fee	93.69	93.69	93.69	93.69	93.69	93.69
Transportation Access Fee[4]	89.00	89.00	89.00	89.00	93.45	93.45
Total Flat Fees Per Term	**$192.69**	**$192.69**	**$192.69**	**$192.69**	**$197.14**	**$197.14**

[1] Local Fees are assessed to both in state and out-of-state students in addition to the registration and tuition fees.

[2] Technology Fee approved for uses, which enhance instructional technology.

[3] Flat Fees are assessed to both in state and out-of-state students on a per term (fall, spring, and summer semester) basis, and are in addition to 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.

[4] The Transportation Access Fee is higher for the fall and spring semesters than the summer semester; from the 2015-16 through 2018-19 academic years it was $89.00 fall and spring semesters and $83.00 for the summer semester, and beginning in the 2019-20 academic year it increased to $93.45 for fall and spring semesters and $87.15 for the summer semester. A one-time reduction of $50 was made to the summer 2020 Student Transportation Access Fee ($87.15 to $37.15).

Current and Historical Tuition and Fees
Graduate Students
Per Credit Hour

	Academic Year					
Registration and Tuition Fees	**2015-16**	**2016-17**	**2017-18**	**2018-19**	**2019-20[4]**	**2020-21**
In-State Student Fees:						
Matriculation Fee	$379.95	$379.95	$379.95	$379.95	$379.95	$379.95
Tuition Differential	18.99	18.99	18.99	18.99	18.99	18.99
Student Financial Aid Fee	6.76	6.76	6.76	6.76	6.76	6.76
Capital Improvement Trust Fund Fee	$405.70	$405.70	$405.70	$405.70	$405.70	$405.70
In-State Subtotal	**$379.95**	**$379.95**	**$379.95**	**$379.95**	**$379.95**	**$379.95**
Additional Out-of-State Student Fees:						
Tuition	$520.05	$520.05	$520.05	$520.05	$520.05	$520.05
Supplemental Student Financial Aid Fee	26.00	26.00	26.00	26.00	26.00	26.00
Out-of-State Subtotal	**$951.75**	**$951.75**	**$951.75**	**$951.75**	**$951.75**	**$951.75**
Local Fees[1]						
Activity & Service Fee	$14.85	$14.85	$14.85	$14.85	$14.45	$14.45
Technology Fee[2]	18.99	18.99	18.99	18.99	18.99	18.99
Athletic Fee	16.10	16.10	16.10	16.10	16.50	16.50
Local Fees Subtotal	**$49.94**	**$49.94**	**$49.94**	**$49.94**	**$49.94**	**$49.94**
Total In-State Tuition and Fees (per credit hour)	$455.64	$455.64	$455.64	$455.64	$455.64	$455.64
Total Out-of-State Tuition and Fees (per credit hour)	$1,001.69	$1,001.69	$1,001.69	$1,001.69	$1,001.69	$1,001.69
Per Student Flat Fees[3]						
Athletic Fee	$10.00	$10.00	$10.00	$10.00	$10.00	$10.00
Health Fee	93.69	93.69	93.69	93.69	93.69	93.69
Transportation Access Fee[4]	89.00	89.00	89.00	89.00	93.45	93.45
Total Flat Fees Per Term	**$192.69**	**$192.69**	**$192.69**	**$192.69**	**$197.14**	**$197.14**

[1] Local Fees are assessed to both in state and out-of-state students in addition to the registration and tuition fees.
[2] Technology Fee approved for uses, which enhance instructional technology.
[3] Flat Fees are assessed to both in state and out-of-state students on a per term (fall, spring, summer) basis, and are in addition to 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.
[4] The Transportation Access Fee is higher for the fall and spring semesters than the summer semester; from the 2015-16 through 2018-19 academic years it was $89.00 fall and spring semesters and $83.00 for the summer semester, and beginning in the 2019-20 academic year it increased to $93.45 for fall and spring semesters and $87.15 for the summer semester. A one-time reduction of $50 was made to the summer 2020 Student Transportation Access Fee ($87.15 to $37.15).

History of Financial Aid Awards. The following tables set forth the history of financial aid awards made to students at the University for the past five academic years.

History of Financial Aid Awards By Source

		Academic Year				
Source of Awards		2015-16	2016-17	2017-18	2018-19	2019-20
Federal	Number of Awards	53,254	53,362	53,218	52,020	58,873
	Amount of Awards(000's)	$378,972	$377,131	$378,092	$369,919	$387,459
State	Number of Awards	13,153	10,865	22,884	20,291	21,285
	Amount of Awards(000's)	$23,189	$21,264	$41,744	$56,763	$64,400
Institutional	Number of Awards	18,572	24,991	33,279	28,687	29,693
	Amount of Awards(000's)	$53,429	$65,956	$65,482	$68,562	$69,872
Private	Number of Awards	1,992	1,516	1,644	2,020	1,571
	Amount of Awards(000's)	$11,444	$11,010	$11,377	$12,655	$11,926
Other	Number of Awards	0	1,031	2,354	2,356	2,474
	Amount of Awards(000's)	$0	$2,880	$15,644	$18,714	$22,346
Total	**Number of Awards**	**86,971**	**91,765**	**113,379**	**105,374**	**113,896**
	Amount of Awards(000's)	**$467,035**	**$478,240**	**$512,338**	**$526,612**	**$556,003**

History of Financial Aid Awards By Type

Type of Awards		2015-16	2016-17	2017-18	2018-19	2019-20
		Academic Year				
Grants	Number of Awards	45,073	46,773	68,163	60,570	68,369
	Amount of Awards(000's)	$127,745	$133,825	$164,067	$ 171,834	$194,627
Loans	Number of Awards	28,048	27,490	25,663	23,741	22,345
	Amount of Awards(000's)	$292,547	$291,053	$273,335	$ 262,129	$254,418
Scholarships	Number of Awards	13,315	15,948	16,671	18,138	20,186
	Amount of Awards(000's)	$44,474	$48,103	$56,947	$ 71,383	$82,172
FWS & PSWEP	Number of Awards	535	523	528	569	522
	Amount of Awards(000's)	$2,268	$2,379	$2,345	$2,552	$2,440
3rd Party Pmts	Number of Awards	0	1,031	2,354	2,356	2,474
	Amount of Awards(000's)	$0	$2,880	$15,644	$18,714	$22,346
Total	**Number of Awards**	**86,971**	**91,765**	**113,379**	**105,374**	**113,896**
	Amount of Awards(000's)	**$467,035**	**$478,240**	**$512,338**	**$526,612**	**$556,003**

Selected Historical Financial Information

Financial Information. Selected historical University financial information for Fiscal Year 2015-16 through Fiscal Year 2019-20 is set forth in the following two tables. This selected historical financial information has been derived from, and should be read in conjunction with, the University's financial statements and the related notes thereto.

Historical Summary
Statement of Net Position (000's)[1]

	2016	2017	2018	2019	2020
	as of June 30,				
ASSETS					
Current Assets:					
Cash and Cash Equivalents	$4,110	$7,570	$6,688	$6,415	$9,882
Investments	308,223	331,472	357,752	391,064	417,214
Accounts Receivables, Net	27,011	24,230	31,789	46,775	39,588
Due from State	44,271	40,105	52,855	66,125	67,801
Loans and Notes Receivable, Net	590	572	448	463	437
Inventories	418	381	426	370	455
Other Current Assets	3,352	3,220	4,299	3,814	5,916
Total Current Assets	**387,975**	**407,550**	**454,257**	**515,026**	**541,293**
Noncurrent Assets:					
Restricted Cash and Cash Equivalents	32	154	315	68	360
Restricted Investments	5,723	6,462	8,263	14,525	24,074
Loans and Notes Receivable, Net	1,879	1,740	1,496	1,248	937
Depreciable Capital Assets, Net	879,930	879,207	872,103	856,425	848,068
Non-depreciable Capital Assets	96,799	108,034	123,676	129,433	140,001
Other Noncurrent Assets	9,032	8,568	8,239	7,901	7,549
Total Noncurrent Assets	**993,395**	**1,004,165**	**1,014,092**	**1,009,600**	**1,020,989**
Total Assets	**$1,381,370**	**$1,411,715**	**$1,468,349**	**$1,524,626**	**$1,562,282**
Deferred Outflows of Resources					
Other Postemployment Benefits	-	-	5,991	5,534	115,677
Deferred Outflows Related to Pensions	59,309	106,950	119,281	124,708	113,650
Total Deferred Outflows of Resources	**59,309**	**106,950**	**125,272**	**130,242**	**229,327**

(Table continued on next page)

	as of June 30,				
LIABILITIES	**2016**	**2017**	**2018**	**2019**	**2020**
Current Liabilities:					
Accounts Payable	$25,160	$25,713	$27,062	$ 27,631	$ 23,033
Salary and Wages Payable	10,656	13,685	13,472	14,148	17,447
Construction Contracts Payable	6,585	6,642	2,611	1,846	3,801
Deferred Revenue	7,496	6,793	6,317	12,249	9,703
Deposits Payable	1,951	2,541	3,719	2,500	2,565
Due to State	202	169	144	281	365
Long-Term Liabilities – Current Portion:					
Capital Improvement Debt Payable	7,184	7,494	7,829	7,534	7,791
Capital Leases Payable	192	-	-	-	-
Liability for Self-Insurance Claims	154	105	97	27	28
Installment Purchases Payable	-	478	484	490	496
Compensated Absences Payable	3,349	3,783	3,695	3,623	3,879
Other Post Employment Benefits Payable	-	-	2,964	2,939	5,346
Net Pension Liability	1,769	1,622	1,406	1,300	987
Other Current Liabilities	418	594	540	1,162	841
Total Current Liabilities	**65,116**	**69,619**	**70,340**	**75,730**	**76,282**
Noncurrent Liabilities:					
Capital Improvement Debt Payable	158,076	150,581	142,752	135,218	125,127
Capital Leases Payable	-	-	-	-	-
Liability for Self-Insurance Claims	54	69	102	187	2
Installment Purchases Payable	-	1,469	985	496	-
Compensated Absences Payable	38,412	41,150	43,664	45,365	50,773
Other Post Employment Benefits Payable	68,116	88,101	274,370	268,236	397,648
Net Pension Liability	119,726	200,460	223,128	238,726	276,240
Other Long-Term Liabilities	37,908	38,429	38,586	55,513	61,535
Total Noncurrent Liabilities	**422,292**	**520,259**	**723,587**	**743,741**	**911,326**
Total Liabilities	**$487,408**	**$589,878**	**$793,927**	**$819,471**	**$987,608**
Deferred Inflows of Resources					
Other Postemployment Benefits	-	-	39,273	55,692	68,295
Deferred Inflows Related to Pensions	19,242	1,486	9,852	20,721	17,081
Total Deferred Inflows of Resources	**19,242**	**1,486**	**49,125**	**76,413**	**85,376**
NET POSITION					
Invested in Capital Assets, Net of Related Debt	811,277	827,219	843,728	842,121	854,812
Restricted for Expendable:					
Loans	871	820	703	674	919
Capital Projects	5,715	2,291	20,112	19,147	29,335
Debt Service	2,869	2,884	2,860	2,877	7
Other	4,765	3,235	10,057	20,564	24,078
Unrestricted	108,532	90,852	(126,891)	(126,399)	(190,527)
Total Net Position	**$934,029**	**$927,300**	**$750,569**	**$758,984**	**$718,625**

[1] Numbers may not add due to rounding.

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Historical Summary
Statement of Revenues, Expenses, and Changes in Net Position (000's)[1]

	Fiscal Year				
	2015-16	**2016-17**	**2017-18**	**2018-19**	**2019-20**
REVENUES AND EXPENSES					
Operating Revenue:					
Student Tuition and Fees	$418,784	$431,934	$444,704	$456,053	$466,573
Less: Tuition Scholarship Allowances	(129,399)	(136,588)	(165,856)	(176,130)	(193,888)
Net Student Tuition and Fees	289,385	295,346	278,848	279,923	272,685
Federal Grants and Contracts[2]	76,454	72,589	86,375	99,409	104,684
State and Local Grants and Contracts	8,352	9,863	8,927	8,379	8,984
Nongovernmental Grants and Contracts	13,244	16,695	17,587	18,428	18,956
Sales and Services of Auxiliary Enterprise	106,483	104,060	106,670	115,242	103,815
Sales and Services of Educational Departments	972	1,385	1,198	1,285	799
Interest on Loans and Notes Receivable	63	58	63	69	40
Other Operating Revenue	15,149	19,481	21,599	26,241	22,544
Total Operating Revenue	**510,102**	**519,477**	**521,267**	**548,976**	**532,507**
Operating Expenses:					
Personnel Services	583,993	630,657	652,445	689,071	770,119
Contractual Services	139,518	138,390	145,948	161,300	141,294
Utilities	16,064	16,672	17,181	16,343	16,295
Materials and Supplies	25,736	27,574	27,122	27,246	24,795
Repairs and Maintenance	14,264	15,295	18,200	18,758	18,089
Scholarships, Fellowships and Waivers	83,660	88,604	105,217	115,229	139,150
Depreciation	45,922	48,895	48,337	48,795	46,585
Self-Insured Claims and Expenses	414	(15)	50	40	55
Total Operating Expenses	**909,571**	**966,072**	**1,014,500**	**1,076,782**	**1,156,383**
Total Operating Loss	**(399,469)**	**(446,595)**	**(493,233)**	**(527,806)**	**(623,876)**
Nonoperating Revenues (Expenses):					
State Appropriations	261,567	278,033	294,596	322,360	323,327
Investment Income	2,605	6,623	30,473	7,361	8,346
Net Unrealized Gains/Losses on Investments	561	7,028	(13,798)	9,631	7,306
Federal and State Student Financial Aid[3]	112,127	110,935	151,327	173,355	201,210
Noncapital Grants, Contracts, and Gifts	-	23,675	26,380	24,589	24,228
Other Nonoperating Revenues[4]	21,370	1,668	2,021	1,708	16,337
Interest on Capital Asset-Related Debt	(7,501)	(7,175)	(6,840)	(6,485)	(5,236)
Gain/(Loss) on Disposal of Capital Assets	(124)	(435)	(595)	(153)	(6,273)
Other Nonoperating Expenses	(548)	(117)	(100)	(878)	(1,955)
Net Nonoperating Revenues	**390,057**	**420,235**	**483,464**	**531,488**	**567,291**
Income (Loss)					
Before Other Revenues, Expenses, Gains, or Losses	**(9,412)**	**(26,360)**	**(9,769)**	**3,682**	**(56,585)**
Capital Appropriations	26,254	16,677	33,050	-	4,047
Capital Grants and Contracts	5,435	2,954	7,202	4,733	1,083
Change in Net Assets	**22,277**	**(6,729)**	**30,483**	**8,415**	**(51,455)**
NET POSITION					
Net Position, Beginning of Year	911,752	934,029	927,300	750,569	758,984
Adjustment to Beginning Net Position	-	-	(207,214)	-	11,096
Total Adjusted Restated Net Position – Beginning	**911,752**	**934,029**	**720,086**	**750,569**	**770,080**
Total Net Position – Ending	**$934,029**	**$927,300**	**$750,569**	**$758,984**	**$718,625**

1 Numbers may not add due to rounding.
2 Includes approximately $3.3 million of CARES Act funds (Institutional Portion of the HEERF allocation to the University).
3 Includes $19.15 million of CARES Act funds (Student Portion of the HEERF allocation to the University) distributed as Emergency Aid to students.
4 Includes $2.9 million of CARES Act funds (Institutional Portion of the HEERF allocation to the University) used to issue partial refunds to students who vacated the Housing System in spring 2020 as a result of COVID-19.

Students

General. The University's undergraduate and graduate enrollment has increased by approximately seven percent 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 State 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 undergraduate coursework, or a graduate degree from an accredited institution and certain minimum scores on graduate admissions exams. A State Board of Education exception policy allows up to ten percent of the graduate students admitted for a particular academic year to be admitted as exceptions to the graduate admissions criteria.

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 tele counseling 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.

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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 2016	Fall 2017	Fall 2018	Fall 2019	Fall 2020
Total Students:					
No. of Applicants	42,057	40,379	36,905	36,322	35,525
No. Admitted	21,060	19,530	17,472	17,263	17,330
% of Applicants Admitted	50%	48%	47%	48%	49%
No. Enrolled	11,179	10,759	9,943	9,960	9,715
% of Admitted Enrolled	53%	55%	57%	58%	56%
First-Time-in-College:					
No. of Applicants	17,218	14,861	11,431	11,170	10,566
No. Admitted	8,498	7,596	4,984	5,033	5,114
% of Applicants Admitted	49%	51%	44%	45%	48%
No. Enrolled	3,170	2,895	1,744	1,592	1,701
% of Admitted Enrolled	37%	38%	35%	32%	33%
Community College Transfers:					
No. of Applicants	5,873	5,923	6,102	5,877	5,826
No. Admitted	5,267	5,033	5,258	5,080	5,026
% of Applicants Admitted	90%	85%	86%	86%	86%
No. Enrolled	3,680	3,711	3,805	3,803	3,713
% of Admitted Enrolled	70%	74%	72%	75%	74%
Other Undergraduate Transfers:					
No. of Applicants	4,042	4,070	3,952	4,194	3,688
No. Admitted	2,479	2,319	2,331	2,536	2,130
% of Applicants Admitted	61%	57%	59%	60%	58%
No. Enrolled	1,447	1,434	1,403	1,629	1,126
% of Admitted Enrolled	58%	62%	60%	64%	53%
Post Baccalaureate:[1]					
No. of Applicants	14,924	15,525	15,420	15,081	15,445
No. Admitted	4,816	4,582	4,899	4,614	5,060
% of Applicants Admitted	32%	30%	32%	31%	33%
No. Enrolled	2,882	2,719	2,991	2,936	3,180
% of Admitted Enrolled	60%	59%	61%	64%	63%
Graduate:					
No. of Applicants	9,458	8,782	8,582	8,544	8,558
No. Admitted	3,946	3,697	3,913	3,918	4,174
% of Applicants Admitted	42%	42%	46%	46%	49%
No. Enrolled	2,553	2,400	2,625	2,577	2,821
% of Admitted Enrolled	65%	65%	67%	66%	68%
Professional:					
No. of Applicants	5,466	6,743	6,838	6,537	6,887
No. Admitted	870	885	986	696	886
% of Applicants Admitted	16%	13%	14%	11%	13%
No. Enrolled	329	319	366	359	359
% of Admitted Enrolled	38%	36%	37%	52%	40%

[1] Post Baccalaureate numbers represent the sum of Graduate numbers and Professionals numbers.

The table below shows the full-time equivalent ("FTE") enrollment of the University by level for each of the five most recent academic years. The FTE student calculation factor is a measure of student enrollment based on the number of student credit hours for which students enroll. Under the semester system, 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 nine credit hours. During the summer semester, ten undergraduate student credit hours or eight graduate student credit hours are equivalent to one FTE. Annual full-time equivalency is 30 hours for undergraduate students and 24 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.

Annual FTE Enrollment by Level and
Fall Headcount Enrollment by Level

Academic	Annual FTE				Fall Headcount		
Year	Undergraduate	Graduate	Total	Fall	Undergraduate	Graduate	Total
2016-17	37,254	8,618	45,872	2016	45,944	9,168	55,112
2017-18	38,534	8,542	47,076	2017	47,779	9,107	56,886
2018-19	39,895	8,538	48,433	2018	48,867	9,196	58,063
2019-20	40,823	8,830	49,653	2019	49,366	9,421	58,787
2020-21[1]	N/A	N/A	N/A	2020	49,077	9,851	58,928

[1] Annual FTE information for the 2020-21 academic year is not yet available.

The following table shows the projected fall headcount enrollment and annual FTE enrollment for the University for the next five years. The University does not anticipate an impact to projected enrollment as a result of COVID-19. 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 Fall Headcount Enrollment by Academic Year

	2020-21	2021-22	2022-23	2023-24	2024-25
Annual FTE	48,392	48,288	48,011	48,245	48,245
Fall Headcount	58,682	58,655	58,409	58,538	58,538

The tables below show the total headcount enrollment of students by area of origin and Florida county of origin for the five most recent fall semesters.

Fall Headcount Enrollment by Area of Origin
At Time of Admission or Readmission

Area	Fall 2016	Fall 2017	Fall 2018	Fall 2019	Fall 2020
Florida	49,636	51,363	52,281	52,806	52,871
New York	374	325	321	291	308
California	242	239	233	238	230
New Jersey	217	232	245	223	211
Texas	168	169	184	206	250
Georgia	155	161	171	185	198
Pennsylvania	137	136	138	150	152
Maryland	134	128	133	135	133
Virginia	140	137	124	114	141
Ohio	92	87	91	111	109
Illinois	126	101	99	110	121
All Other States	942	959	1,007	1,074	1,101
Foreign Countries	2,749	2,849	3,036	3,144	3,103
Total	**55,112**	**56,886**	**58,063**	**58,787**	**58,928**

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Fall Headcount Enrollment by Florida County of Origin
At Time of Admission or Readmission

County	Fall 2016	Fall 2017	Fall 2018	Fall 2019	Fall 2020
Dade	36,005	37,065	37,591	37,766	37,731
Broward	8,810	9,437	9,657	9,621	9,335
Palm Beach	1,181	1,210	1,279	1,346	1,457
Orange	476	474	498	627	719
Hillsborough	430	446	429	445	451
Lee	239	234	255	312	291
Duval	208	182	201	205	215
Collier	159	165	172	195	215
St. Lucie	182	171	188	192	195
Osceola	138	149	159	184	189
Other Florida Counties	1,808	1,830	1,852	1,913	2,073
Total	**49,636**	**51,363**	**52,281**	**52,806**	**52,871**

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 five most recent 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
2016	3.94	1128	25
2017	4.07	1150	25
2018	4.12	1193	27
2019	4.24	1130	28
2020	4.27	1130	28

[1] Includes only regularly admitted students who meet the Florida Board of Education Freshman Admissions Requirement.
[2] Average SAT score includes average reading and math scores, and excludes writing score.

A second measure of student quality is the University's number of National Merit Scholars and National Achievement Scholars. The table below shows the number of National Merit Scholars and National Achievement Scholars, as well as the number of National Hispanic Scholars attending the University during the five most recent fall Semesters.

National Merit, National Achievement and National Hispanic Scholars

	Fall 2016	Fall 2017	Fall 2018	Fall 2019	Fall 2020
National Merit Scholars	3	7	8	11	9
National Achievement Scholars	2	-	-	-	-
National Hispanic Scholars	15	24	26	47	43

General Academic Information

The University offers approximately over 200 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, Sciences and Education, College of Business Administration, College of Engineering & Computing, College of Law, Herbert Wertheim College of Medicine, Nicole Wertheim College of Nursing and Health Sciences, Robert Stempel College of Public Health and Social Work, Chaplin School of Hospitality and Tourism Management, and Steven J. Green School of International and Public Affairs.

The University has now granted approximately 228,000 baccalaureates, 68,000 masters, 3,100 doctoral, and 3,500 professional degrees. The University 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 and has reached the highest Carnegie Classification of Institutions of Higher Education – R1: Doctoral Universities – Highest Research Activities. The University had research and development expenditures of over $226 million during Fiscal Year 2018-19. Faculty received over $157 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, National Science Foundation Natural Hazards Engineering Research Infrastructure Experimental Facility, Forensic DNA Profiling Facility, Nanofabrication Facility, the Advanced Mass Spectrometry Facility, and the Center for Imaging Science. Preeminent programs include: Center for Children and Families, Extreme Events Institute, Global Forensic and Justice Center, Institute for Resilient and Sustainable Coastal Infrastructure, Institute of Water and Environment, and the STEM Transformation Institute, 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 number of degrees awarded to the students graduating from the University over the three most recent academic years.

Degrees Granted by Discipline

	Baccalaureate Degrees			Master's Degrees			Specialist Degrees			Doctoral Degrees		
Discipline	**2017-18**	**2018-19**	**2019-20**	**2017-18**	**2018-19**	**2019-20**	**2017-18**	**2018-19**	**2019-20**	**2017-18**	**2018-19**	**2019-20**
Arch & Related Serv.	0	0	0	124	139	160	0	0	0	0	0	0
Eth., Cult. & Gen. Studies	62	67	63	14	17	21	0	0	0	0	0	0
Biology & Biomedical	746	787	878	8	4	9	0	0	0	25	26	17
Business, Mgmt., Mrktng	2,911	3,212	3,390	1,342	1,355	1,398	0	0	0	6	12	10
Communication/Journalism	750	756	806	80	107	89	0	0	0	0	0	0
Computer & Info Systems	384	398	522	126	105	134	0	0	0	9	13	8
Education	405	427	482	306	266	276	8	3	7	21	24	27
Engineering	570	629	633	179	165	179	0	0	0	41	33	46
Engineering Technology	36	58	83	37	30	62	0	0	0	0	0	0
English/Literature/Letters	163	175	171	17	14	11	0	0	0	0	0	0
Protective Services	499	495	603	85	75	89	0	0	0	0	0	6
Foreign Lang./Linguistics	89	93	103	8	14	14	0	0	0	2	6	0
Health Profession	728	657	625	496	563	622	0	0	0	221	239	252
History	66	57	58	12	5	11	0	0	0	6	4	7
Legal Studies	0	0	0	35	42	36	0	0	0	145	143	129
Liberal/General Studies	274	327	368	3	1	0	0	0	0	0	0	0
Mathematics, Statistics	37	43	40	10	6	5	0	0	0	0	0	0
Multi/Interdisciplinary	964	1,158	1,224	41	45	58	0	0	0	0	5	8
Natural Resources, Conserv.	61	39	31	18	18	23	0	0	0	0	0	0
Parks, Recreation, Fitness	232	225	261	14	23	24	0	0	0	0	0	0
Philosophy & Religion	52	62	51	6	11	3	0	0	0	0	0	0
Physical Sciences	155	138	156	15	29	19	0	0	0	31	32	17
Psychology	1,359	1,403	1,370	39	57	61	6	4	7	10	7	15
Public Administration	174	219	184	102	92	95	0	0	0	12	11	5
Social Services	767	728	826	26	11	22	0	0	0	20	22	12
Visual & Performing Arts	186	205	209	22	16	27	0	0	0	0	0	0
Total	**11,670**	**12,358**	**13,137**	**3,165**	**3,210**	**3,448**	**14**	**7**	**14**	**549**	**577**	**559**

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Faculty and Staff

The University's Student to Faculty Ratio is 23 to 1 for the fall 2020 semester. Approximately, sixty percent of full-time Instructional Faculty are either Tenured or Tenure-Earning. Of the Tenured/Tenure-Earning full-time Instructional Faculty, approximately 99% 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]
2015-16	1,274	796	492	1,509	25 to 1
2016-17	1,282	861	491	1,563	26 to 1
2017-18	1,369	875	470	1,572	25 to 1
2018-19	1,362	890	511	1,531	24 to 1
2019-20	1,400	900	526	1,538	25 to 1
2020-21[4]	1,406	903	521	1,538	23 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 full-time service professors with tenure and with a terminal degree in their discipline.
[3] Student/Faculty Ratio of full-time equivalent students to full time equivalent faculty. Medicine and law faculty and students are excluded.
[4] Preliminary estimate, subject to change.

The University employs approximately than 6,500 people. Instructional Faculty make up 36% of the employee population. Instructional Faculty are supported by a Non-Instructional Staff of 4,188 employees. As of fall 2020, the University employed the following personnel:

Personnel Data

Activity	Fall 2020
Instruction/Research/Pub. Svc.	2,309
Archivists, Curators, and Museum Technicians	27
Business and Financial Operations Occupations	241
Community Service, Legal, Arts, and Media Occupations	251
Computer, Engineering, and Science Occupations	538
Healthcare Practitioners and Technical Occupations	50
Librarians	42
Library Technicians	44
Management Occupations	977
Natural Resources, Construction, and Maintenance Occupations	171
No IPEDs Reporting	24
Office and Administrative Support Occupations	917
Other Teaching and Instructional Support Occupations	252
Research	311
Service Occupations	338
Graduate Assistant	3
Public Service	2
Total	**6,497**

Division of Student Affairs

The Division of Student Affairs seeks to educate a diverse body of students by supporting their growth, both personal and academic. 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 of Student Affairs is comprised of the following departments and programs: Counseling and Psychological Services Center, Disability Resource Center, Multicultural Programs and Services, University Housing and Residential Life, Student Centers, Campus Life, University Health Services, Student Conduct and Conflict Resolution, Victim Empowerment Program, Center for Leadership and Service, Women's Center, Wellness and Recreation, Student Government Association, Student Media, Children's Creative Learning Center, Orientation and Family Programs, Student Ombudsman and Veteran and Military Affairs.

Environmental, Social and Governance

The University is aware of the growing challenges posed by environmental, social and governance ("ESG") issues and has proactively invested in measures to partially mitigate these risks.

Environmental – The University has historically ranked best in class in the State University System's Energy Performance Report which measures "carbon footprint". The University continually seeks to improve its energy use efficiency and achieved an Energy Use Intensity of 56.42 (KBTU/Square Foot/Year) in Fiscal Year 2019-20. These results were achieved through the use of high efficiency chilled water plants, extensive metering, online energy management system efficient building design and a solar canopy, which is able to generate enough energy to power the Engineering Campus.

Social – The University recognizes the societal and demographic trends of inequality and is proactively managing the average cost to student/net tuition through performance metrics. The University has set a goal of achieving an average cost to student/net tuition of $9,000 by 2025. The University consistently ranks high in Social Mobility (14) and Best Value (32) in the US News and World Report rankings.

Governance – The University has a strong governance culture through the use of an annual accountability plan and performance metrics. Performance ranking scores are based on state determined metrics, a level of excellence and continued improvements from the prior period. The University ranked fourth (out of 12) in performance in the State University System in Fiscal Year 2019-20. The annual accountability plan and corresponding metrics help align the University's efforts to the goals of the State.

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 tax-exempt 501(c)(3) organization and a certified direct-support organization of the University as defined in Section 1004.28, Florida Statutes. The Foundation was 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.

As of June 30, 2020, the total private endowment at the Foundation was $218.7 million, while the total value of the assets managed by the Foundation was approximately $308.2 million. The Foundation provided the University with $28.7 million in support from non-endowed gifts and spendable transfers from the endowment in Fiscal Year 2019-20.

The table below sets forth financial information relating to the Foundation as of the dates shown. The large fluctuations in revenues are directly related to the fluctuations of investment returns from year to year due to varying market conditions.

Florida International University Foundation Inc.
Financial Statement Overview

Fiscal Year	Assets	Liabilities	Revenues	Expenditures
2015-16	336,004,975	11,475,877	23,967,256	33,041,302
2016-17	358,702,840	11,625,829	62,984,787	34,600,137
2017-18	372,172,479	14,003,545	53,283,020	41,307,611
2018-19	338,895,922	15,048,372	46,359,187	38,502,974
2019-20	346,377,162	16,380,370	43,087,937	36,854,695

The level of gifts received by the Foundation reflects the impact of the economic climate on ability to give. As illustrated by the following table, gifts have increased for the last five Fiscal Years as economic environment improved. It is anticipated that total gifts will remain above $30 million over the next few years, but this will be subject to the overall financial markets, which influences donors. Future gift giving may be impacted by COVID-19. Gifts received by the University are shown by restriction and giving program in the table below for the past five Fiscal Years.

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Gift Report
Current Receipts and Deferred Additions by Restriction and Giving Program

Fiscal Year	Unrestricted Gifts	Restricted Gifts	Endowments	Total Gifts Received
2015-16	$2,973,619	$15,561,056	$3,277,555	$21,812,230
2016-17	3,955,238	18,025,050	5,261,581	27,241,869
2017-18	3,664,282	18,255,333	5,237,912	27,157,527
2018-19[1]	4,131,252	19,739,529	5,391,941	29,262,722
2019-20	3,925,063	22,421,287	5,861,341	32,207,691

[1] Beginning in Fiscal Year 2018-19 Contribution Revenue was recognized under GASB standards. The data in prior periods was reported under FASB standards.

Recent Fund Raising Efforts. The University is in the midst of entering the public phase of its Next Horizon capital campaign, which entered the public phase on January 26, 2019. The campaign seeks to raise $750 million by the year 2022. As of September 18, 2020, the campaign has raised $575.8 million, including cash, pledges, in kind and planned giving. In alignment with the University's strategic focus on the arts, environment, globalization and health, the campaign will raise funds for specific philanthropic priorities. On student success and research excellence, the campaign will raise funds for specific philanthropic priorities under these two pillars. The campaign will empower the University to reach the goals outlined in its Next Horizon 2025 Strategic Plan, garnering the University national recognition as a top 50 public university and accelerating its designation as a Preeminent Research University by the Board of Governors. The capital campaign will also empower the University to achieve each of the goals outlined in its Beyond Possible 2020 strategic plan, enabling the University to ascend to the next level of excellence in academic, research, and outreach initiatives and creating a solid financial base that will shape its 21st century evolution.

New initiatives that drove FIU Foundation efforts in Fiscal Year 2019-20 focused on cultivating new audiences as prospects, and ensuring that philanthropic endeavors support areas and issues that both the university and donors find meaningful and timely. The newly established Pathway to Philanthropist program offers a novel approach to endowment establishment that helps constituents who may not normally think they have the capacity to explore options that work for their budget and make an impact at the University. New committee structures in the Foundation have enhanced operations and concentrated fundraising efforts on areas of need and growth identified by university leadership. This includes a committee dedicated to ascertaining philanthropic support for University-identified opportunities to strengthen diversity, equity, and inclusion. The Corporate Enterprise Growth Initiative was created to help the Foundation adapt to a shifting philanthropic landscape by attracting impact philanthropy to support curricula and research that address emerging trends and prepare students for careers with the region's companies, particularly those in the technology sector.

The Foundation has set a goal to complete the Next Horizon capital campaign within the next two years. Key priorities moving forward include building development capacity and the pipeline of donors to prepare the University for its next, larger campaign, and growing undergraduate alumni giving participation to 18% by 2025. On the heels of a record fundraising year and with priorities and initiatives that align with the University's 2025 strategic plan, the Foundation is poised for another impactful fiscal year in Fiscal Year 2020-21, which will enable it to a difference in the lives of those it serves and on the University's progress.

Impact of COVID-19 on Giving. Fiscal year 2019-2020 was the first full year of the Next Horizon capital campaign in the public phase, and even in light of the COVID-19 pandemic, the University raised a record $75.9 million, exceeding its goal of $71.0 million. While there were challenges posed to university foundations nationwide by the COVID-19 pandemic, the University shifted focus to reach out to donors and prospects using virtual platforms, an effort that is ongoing as of September 2020 and which has contributed to the University's fund raising success in Fiscal Year 2019-20. During this time, staff and student ambassadors of the Foundation have taken the opportunity to reach out to alumni, donors, and other partners to check in on a personal level, to make sure they are doing well, and share virtual programs and events offered by the University to promote professional development, health and wellbeing, and camaraderie even as the University social distanced. The strategy pivot proved successful, and fundraising continued unabated. As a result, $30.8 million was raised between the start of the COVID-19 pandemic and the end of the 2019-20 Fiscal Year. This includes $2.64 million toward FIUStrong, the University's disaster relief initiative, which continues to support students, faculty, and staff who need emergency assistance as a result of COVID-19 and is providing aid for South Florida's hard-hit hospitality industry through the SOBEWFF® & Chaplin School Hospitality Relief Fund.

APPENDIX H

FLORIDA INTERNATIONAL UNIVERSITY

ANNUAL REPORT 2019-2020

BOARD OF TRUSTEES AND PRESIDENT

During the 2019-20 fiscal year, Dr. Mark B. Rosenberg served as President of Florida International University and the following individuals served as Members of the Board of Trustees:

Claudia Puig, Chair

Dr. Jose J. Armas, MD, Vice Chair

Cesar L. Alvarez, JD

Leonard Boord

Dean C. Colson, JD

Gerald C. Grant, Jr.

Donna J. Hrinak, from January 6, 2020

Michael G. Joseph, to January 30, 2020

Natasha Lowell

Justo L. Pozo, to January 5, 2020

T. Gene Prescott, from January 31, 2020

Dr. Joerg Reinhold (2)

Sabrina L. Rosell, to May 10, 2020 (1)

Marc D. Sarnoff

Rogelio Tovar

Alexandra Valdes, from May 11, 2020 (1)

Notes: (1) Student Body President.

(2) Faculty Senate Chair.


WELCOME TO
FIU

FLORIDA INTERNATIONAL UNIVERSITY

ANNUAL REPORT 2019-20

TABLE OF CONTENTS

Message from the President

Following the end of our academic and fiscal year, I want to share with you the great things happening at Florida International University (FIU).

As a Carnegie R1 (highest research activity) institution, FIU remains at the forefront of research and innovation and continues to be a solutions center for our community and the world's most pressing problems and concerns.

Never has that been more apparent than these last few months, when our community and the entire world have grappled with the devastating impact of the coronavirus pandemic. It is thanks to the exceptional work, talent and commitment of our FIU family that our university has responded to the needs of our community during such a troublesome time.

From partnering with Miami-Dade County and the Miami-Dade County Fair to operate a COVID-19 test site adjacent to one of our campuses, to producing massive quantities of personal protective equipment for frontline healthcare workers, to placing our health and medical experts on local and national media to share their knowledge on the coronavirus, our FIU has left an impact in the communities we serve.

Internally, FIU has also reinvented itself to adjust to restrictions posed by COVID-19. Our faculty quickly transitioned to remote teaching and has kept our students engaged throughout the last few months. With in-person events suspended temporarily, FIU produced two virtual commencement celebrations, graduating close to 11,000 Panthers. Research labs remained operational all throughout, and our university continued to provide services to students, faculty and staff despite the difficult circumstances.

Meanwhile, our FIU continued to shine, with significant achievements in rankings and other accolades. FIU is ranked among the top 100 public universities in the U.S. and number 19 in social mobility by U.S. News & World Report, a top three young university by Times Higher Education, and number 18 national public university in Washington Monthly Magazine. We proudly graduate more Hispanics with bachelor's and master's degrees than any other university in the continental U.S., and once again were recognized as a Great College to Work For.

It is thanks to the exceptional work of the FIU family that we were able to accomplish so much during such trying times.

We are excited about what's next, about a future where every learner will be on their own individualized educational pathway. We are doing all this while not turning our backs on the needs of our diverse and dynamic surrounding communities.

We are committed to remain a top-50 public research university and look forward to a future that honors our tradition of being a solutions center, stewards of the public trust and an institution that celebrates excellence and opportunity.

Sincerely,

Mark B. Rosenberg


FIU

INTRODUCTION FROM THE SENIOR VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

The unprecedented challenges of the past year due to the COVID-19 pandemic served as a test of our ingenuity, abilities, and resilience. Our unrelenting efforts to fulfill our responsibilities to our students, faculty and staff and community remained steadfast. The extent of the financial ramifications from this pandemic remain unknown, but even as we face those uncertainties, our commitment to exercising reliable stewardship and accountability of the resources entrusted to us remain our highest priority.

FIU is resolute in its pledge to maintain the highest standards in supporting student success, research excellence, and efficient operations. The Office of Finance and Administration is dedicated to providing leadership and financial planning in support of these objectives by strategically allocating financial resources, timely reporting financial information for improved decision making, and assisting in identifying new revenue sources to support our educational mission and strategic goals.

Reflecting on the past year and all the challenges we were able to overcome, at FIU we are proud of our team. We continued making strides in achieving remarkable success academically, strategically and operationally. I am pleased to present the 2019-20 Annual Financial Report for Florida International University and I am proud to share the following notable accomplishments and achievements.

Strategic initiatives:

- The university acquired the Torrey Pines Institute for Molecular Studies facility in Port St. Lucie, providing critically needed laboratories and support facilities that will enable FIU to conduct basic research to advance the understanding of human disease and the improvement of human health.
- We started construction on Parkview II Housing at the MMC campus, a $91 million, 300,000-square-foot, 13-story upper-division residence hall containing 700 beds, study lounges, and space for student education and social activities.
- FIU received a legislative appropriation of $8.3 million toward the design and construction of a new engineering building on the MMC campus. This completes the final portion of state funding for this much needed facility that contains classrooms, teaching labs, research labs, and computer and instructional media spaces in the fields of biomedical engineering, health sciences, engineering, computer science and robotics.
- We continued to invest in our students and faculty by expanding student scholarships, IT infrastructure, student success initiatives, and research excellence as a result of a special $15 million legislative appropriation to rise in the US News rankings.

As FIU continues to execute our strategic plan in pursuit of its institutional mission in the coming year, we are confident in our progress. I encourage you to read our annual financial report, as it provides useful, relevant and more detailed information about the university's financial activities and results related to operations. The financial report will help you learn more about FIU's financial operations that support the university's primary mission of educating and preparing current and future students for successful careers that improve our community, our nation and our world.

Kenneth A. Jessell, Ph.D., MBA
Senior Vice President and Chief Financial Officer

AUDITOR GENERAL
STATE OF FLORIDA

Sherrill F. Norman, CPA
Auditor General

Claude Denson Pepper Building, Suite G74
111 West Madison Street
Tallahassee, Florida 32399-1450

Phone: (850) 412-2722
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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

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, 2020, 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 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 solely 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 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, 2020, 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 Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that **MANAGEMENT'S DISCUSSION AND ANALYSIS**, the **Schedule of the University's Proportionate Share of the Total Other Postemployment Benefits Liability**, **Schedule of the University's Proportionate Share of the Net Pension Liability – Florida Retirement System Pension Plan**, **Schedule of University Contributions – Florida Retirement System Pension Plan**, **Schedule of the University's Proportionate Share of the Net Pension Liability – Health Insurance Subsidy Pension Plan**, and **Schedule of University Contributions – Health Insurance Subsidy Pension Plan**, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Florida International University's basic financial statements. The Message from the President and the Introduction from the Senior Vice President and Chief Financial Officer, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Message from the President and the Introduction from the Senior Vice President and Chief Financial Officer have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2020, 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 FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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,

Sherrill F. Norman, CPA
Tallahassee, Florida
December 17, 2020
Audit Report No. 2021-085

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, 2020, 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, 2020, and June 30, 2019.

OVERVIEW OF FINANCIAL STATEMENTS

Pursuant to Governmental Accounting Standards Board (GASB) Statement No. 35, the University's financial report consists of 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 its component units. Based on the application of the criteria for determining component units, the following three component units are included within the University reporting entity as 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)

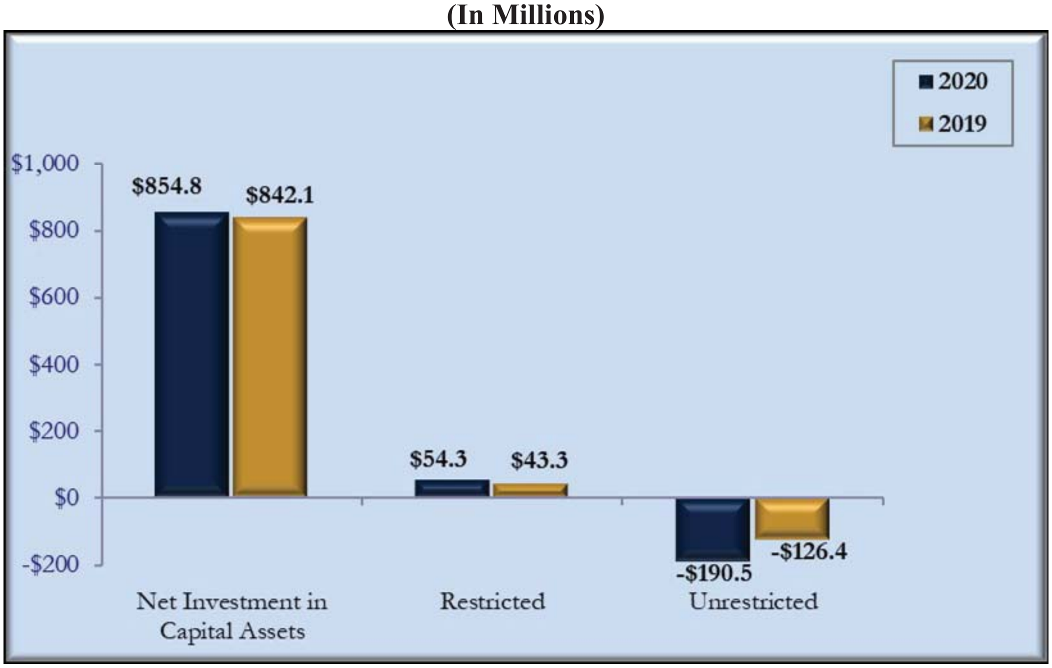
Information regarding these component units, including summaries of the discretely presented component units' separately issued financial statements, is presented in the notes to financial statements. This MD&A focuses on the University, excluding the discretely presented component units. For the component units, MD&A information is included in their separately issued audit reports.

THE STATEMENT OF NET POSITION

The statement of net position reflects the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the University, using the accrual basis of accounting, and presents the financial position of the University at a specified time. Assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, equals 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 University's comparative total net position by category for the fiscal years ended June 30, 2020, and June 30, 2019, is shown in the following graph:

Net Position
(In Millions)



The following summarizes the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at June 30:

Condensed Statement of Net Position at June 30
(In Millions)

	2020	2019
Assets		
Current Assets	$ 541.3	$ 515.0
Capital Assets, Net	988.1	985.9
Other Noncurrent Assets	32.9	23.7
Total Assets	1,562.3	1,524.6
Deferred Outflows of Resources	229.3	130.2
Liabilities		
Current Liabilities	76.3	75.7
Noncurrent Liabilities	911.3	743.7
Total Liabilities	987.6	819.4
Deferred Inflows of Resources	85.4	76.4
Net Position		
Net Investment in Capital Assets	854.8	842.1
Restricted	54.3	43.3
Unrestricted	(190.5)	(126.4)
Total Net Position	$ 718.6	$ 759.0

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", was classified as a global pandemic in March 2020. This pandemic resulted in governments enacting emergency measures such as travel bans, quarantine periods, and social distancing requirements to combat the spread of the virus. These measures caused a material disruption to businesses globally resulting in an economic slowdown. The Federal government reacted with significant monetary and fiscal interventions such as the Coronavirus Aid, Relief, and Economic Security (CARES) Act designed to stabilize economic conditions. This pandemic significantly affected the University's operations and the effects are explained in various sections of the MD&A.

Total assets as of June 30, 2020, increased by $37.7 million, or 2.5 percent. This increase is primarily due to an increase in combined cash and cash equivalents and investments of $39.4 million mainly driven by a reduction of $23.2 million in service and supply expenses resulting from remote learning and work measures implemented in response to COVID-19 circumstances. Also contributing to the increase in cash and cash equivalents and investments were non-recurring increases in nonoperating revenue consisting of $9.5 million received from the legal settlement associated with the 8th Street pedestrian bridge collapse, $1.9 million received from FEMA for Hurricane Irma claims, and $3.2 million in CARES Act Institutional funding for housing fees previously refunded to students prompted by COVID-19 measures, and reductions in receivables of $7.2 million due from students and research grant sponsors. These increases were offset by a net reduction of student tuition and fees of $7.2 million.

Total liabilities as of June 30, 2020, increased by $168.2 million, or 20.5 percent. This increase resulted from increases of $131.8 million and $37.2 million for the University's proportionate share of other postemployment benefits payable (OPEB) and net pension liabilities, respectively, $5.8 million in noncurrent unearned State capital appropriations and $5.7 million in compensated absences payable. These increases were offset by decreases in capital improvement debt payable of $9.8 million and $2.5 million of current unearned revenues.

Deferred outflows of resources and deferred inflows of resources increased $99.1 million and $9 million, respectively, related to pensions and other postemployment benefits.

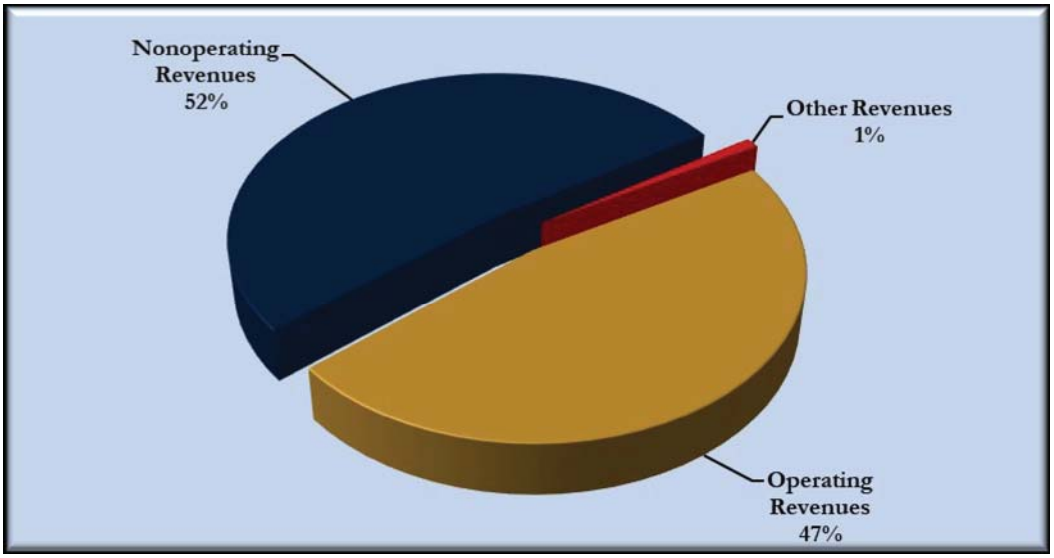
As a result, the University's net position decreased by $40.4 million, or 5.3 percent, resulting in a fiscal year-end balance of $718.6 million, which includes a deficit in unrestricted net position. This deficit is discussed further in the notes to the financial statements.

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 chart provides a graphical presentation of the University revenues by category for the 2019-20 fiscal year:

Total Revenues



The following summarizes the University's activity for the 2019-20 and 2018-19 fiscal years:

Condensed Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Years
(In Millions)

	2019-20	2018-19
Operating Revenues	$ 532.5	$ 549.0
Less, Operating Expenses	1,156.4	1,076.8
Operating Loss	(623.9)	(527.8)
Net Nonoperating Revenues	567.3	531.5
(Loss) Income Before Other Revenues	(56.6)	3.7
Other Revenues	5.1	4.7
Net (Decrease) Increase in Net Position	(51.5)	8.4
Net Position, Beginning of Year	759.0	750.6
Adjustment to Beginning Net Position (1)	11.1	-
Net Position, Beginning of Year, as Restated	770.1	750.6
Net Position, End of Year	$ 718.6	$ 759.0

Note: (1) For the 2019-20 fiscal year, the University's beginning net position was increased for the carrying value of the building acquired in conjunction with the governmental merger with the Torrey Pines Institute for Molecular Studies, Inc.

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 gives or receives something of equal or similar value.

The following chart presents the University's operating revenues for the 2019-20 and 2018-19 fiscal years:

Operating Revenues
(In Millions)

The following summarizes the operating revenues by source that were used to fund operating activities for the 2019-20 and 2018-19 fiscal years:

Operating Revenues
For the Fiscal Years
(In Millions)

	2019-20	2018-19
Student Tuition and Fees, Net	$ 272.7	$ 279.9
Grants and Contracts	132.6	126.2
Sales and Services of Educational Departments	0.8	1.3
Sales and Services of Auxiliary Enterprises	103.8	115.2
Other	22.6	26.4
Total Operating Revenues	$ 532.5	$ 549.0

The University total operating revenues decreased by $16.5 million, or 3 percent, over the 2018-19 fiscal year. Operating revenue changes were the result of the following factors:

- Net student tuition and fees revenue decreased $7.2 million. While tuition and fees revenue increased by $10.5 million the scholarship allowance increased by a considerable amount of $17.8 million driven primarily by an increase in institutional resources provided as financial aid.

- Grants and contracts overall revenue increased $6.4 million. This resulted primarily from higher revenue earned from Federal grants.

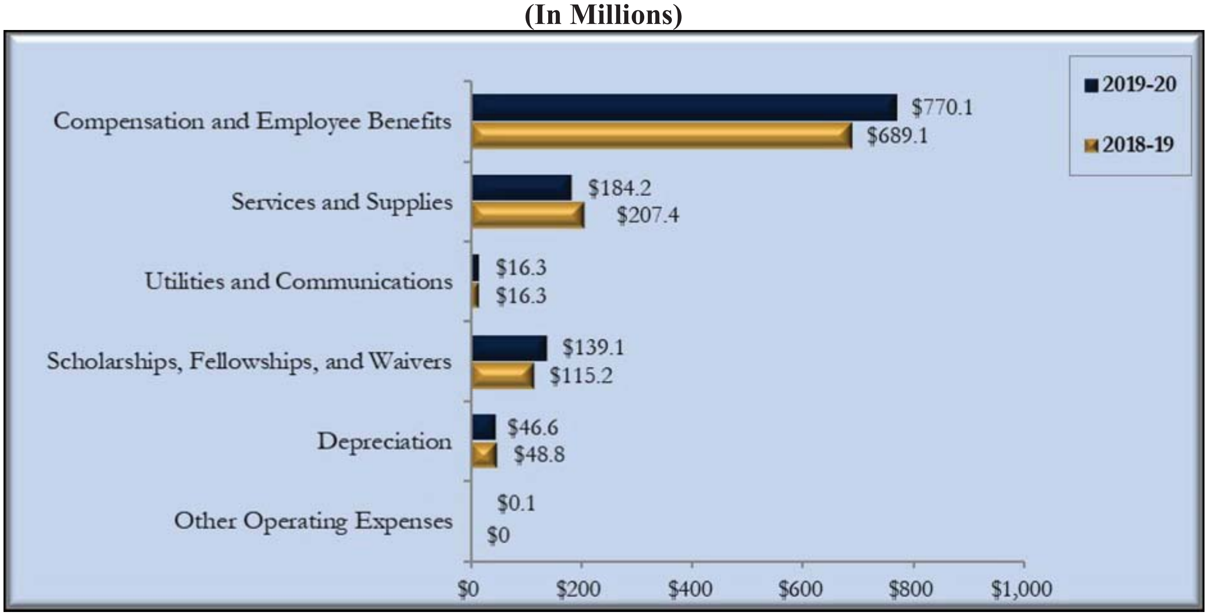
- Sales and Services of Auxiliary Enterprises revenue decreased $11.4 million, mainly driven by a $6.6 million decline in housing revenue resulting from a $4.7 million revenue reduction due to a change in accounting for the meal plans prompted by a change in meal plan providers as well as reduced revenues due to the evacuation and closures of housing facilities during the Spring and Summer terms to limit the spread of COVID-19. While the University received $3.2 million of CARES Act Institutional funding as reimbursements for housing refunds issued to students, these funds were classified as nonoperating revenues, and are therefore not included in operating revenues. Finally, private revenues decreased significantly due to events and programs being cancelled by the COVID-19 pandemic.

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 chart presents the University's operating expenses for the 2019-20 and 2018-19 fiscal years:

Operating Expenses
(In Millions)



The following summarizes the operating expenses by natural classification for the 2019-20 and 2018-19 fiscal years:

Operating Expenses
For the Fiscal Years
(In Millions)

	2019-20	2018-19
Compensation and Employee Benefits	$ 770.1	$ 689.1
Services and Supplies	184.2	207.4
Utilities and Communications	16.3	16.3
Scholarships, Fellowships, and Waivers	139.1	115.2
Depreciation	46.6	48.8
Other Operating Expenses	0.1	-
Total Operating Expenses	$ 1,156.4	$ 1,076.8

Changes in operating expenses were primarily the result of the following factors:

- Compensation and employee benefits increased $81 million, or 11.8 percent. This increase resulted primarily from additional expenses of $25.6 million and $21.7 million for the University's proportionate share of OPEB and pension expenses, respectively. Salaries and benefits increased $33.7 million primarily due to a combination of a one percent across the board salary increase for eligible employees, a one-time merit bonus of one percent for eligible employees, and higher costs for employee health insurance.
- Service and supply expenses decreased $23.2 million, or 11.2 percent. The decrease primarily resulted from reduced expenses associated with measures to prevent COVID-19 spread that included the transition to remote learning and work environments, travel bans, and cancellations of on-campus activities and events to promote social distancing due to the pandemic.
- Scholarship, fellowship, and waiver expenses increased by $23.9 million, or 20.7 percent. The net increase was mostly driven by $19.2 million in CARES Act relief stipends, additional funding in Bright Futures programs of $9.1 million, Pell scholarships of $9.1 million, and Opportunity grant scholarships of $4.9 million. These increases were offset by $17.8 million in incremental expenses that were classified to the scholarship allowance.

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 2019-20 and 2018-19 fiscal years:

Nonoperating Revenues (Expenses)
For the Fiscal Years
(In Millions)

	2019-20	2018-19
State Noncapital Appropriations	$ 323.4	$ 322.4
Federal and State Student Financial Aid	201.2	173.4
Noncapital Grants, Contracts, and Gifts	24.2	24.6
Investment Income	15.7	17.0
Other Nonoperating Revenues	16.3	1.7
Loss on Disposal of Capital Assets	(6.3)	(0.2)
Interest on Capital Asset-Related Debt	(5.2)	(6.5)
Other Nonoperating Expenses	(2.0)	(0.9)
Net Nonoperating Revenues	$ 567.3	$ 531.5

Net nonoperating revenues increased by $35.8 million, or 6.7 percent, from the 2018-19 fiscal year. Increases in Federal and State student financial aid and other nonoperating revenues were the major contributors to this increase. These increases were partially offset by an increase in the loss on disposal of capital assets. Net nonoperating revenues changes were due mainly to the following factors:

- Federal and State student financial aid increased by $27.8 million, primarily due to $19.2 million in CARES Act funds used for stipends to students, higher revenue of $4.8 million from Pell Grants, and $3.7 million from Bright Futures Grants.
- Other nonoperating revenue increased by $14.6 million primarily due to $9.5 million from the legal settlement proceeds for the 8th Street pedestrian bridge collapse, $3.2 million in CARES Act Institutional funds used as reimbursements for student housing fee refunds, and $1.9 million for Hurricane Irma reimbursements received from FEMA.
- Loss on disposal of capital assets increased $6.1 million as the result of the write-off of the costs included in construction in progress for the collapsed 8th Street pedestrian bridge structure.

Other Revenues

This category is composed of State capital appropriations and capital grants, contracts, and donations.

The following summarizes the University's other revenues for the 2019-20 and 2018-19 fiscal years:

Other Revenues
For the Fiscal Years
(In Millions)

	2019-20	2018-19
State Capital Appropriations	$ 4.0	$ -
Capital Grants, Contracts, and Donations	1.1	4.7
Total	$ 5.1	$ 4.7

Total other revenues increased by $0.4 million, or 8.5 percent, due to an increase of $4 million in revenue earned from State capital appropriations for construction projects as compared to the 2018-19 fiscal year. This increase was offset by a decrease of $3.6 million in capital grants, contracts, and donations received during the fiscal year.

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 2019-20 and 2018-19 fiscal years:

Condensed Statement of Cash Flows
For the Fiscal Years
(In Millions)

	2019-20	2018-19
Cash Provided (Used) by:		
Operating Activities	$ (485.9)	$ (458.5)
Noncapital Financing Activities	552.9	523.2
Capital and Related Financing Activities	(43.3)	(42.6)
Investing Activities	(20.0)	(22.6)
Net Increase (Decrease) in Cash and Cash Equivalents	3.7	(0.5)
Cash and Cash Equivalents, Beginning of Year	6.5	7.0
Cash and Cash Equivalents, End of Year	$ 10.2	$ 6.5

Major sources of funds came from proceeds from sales and maturities of investments ($1.1 billion), State noncapital appropriations ($323.3 million), net student tuition and fees ($272.5 million), Federal Direct Student Loan program receipts ($244.5 million), Federal and State student financial aid ($201.2 million), grants and contracts ($138.4 million), and sales and services of auxiliary enterprises ($102.7 million). Major uses of funds were for purchases of investments ($1.1 billion), payments made to and on behalf of employees ($682.3 million), disbursements to students for Federal Direct Student Loan program ($244.5 million), payments to suppliers ($206.9 million), payments to and on behalf of students for scholarships and fellowships ($139.1 million), and purchases of capital assets ($41.6 million).

CAPITAL ASSETS, CAPITAL EXPENSES AND COMMITMENTS, AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2020, the University had $1.7 billion in capital assets, less accumulated depreciation of $692.8 million, for net capital assets of $988.1 million. Depreciation for the current fiscal year totaled $46.6 million.

The following summarizes the University's capital assets, net of accumulated depreciation, at June 30:

Capital Assets, Net at June 30
(In Millions)

	2020	2019
Land	$ 30.7	$ 30.7
Works of Art and Historical Treasures	7.2	6.7
Construction in Progress	102.1	92.1
Buildings	758.4	765.2
Infrastructure and Other Improvements	26.9	28.7
Furniture and Equipment	41.5	40.7
Library Resources	20.8	21.2
Leasehold Improvements	0.1	0.2
Computer Software	0.4	0.4
Capital Assets, Net	$ 988.1	$ 985.9

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, 2020, were incurred on the following projects: $7 million for User Paid Capital Construction projects and $2.9 million for Parkview Housing Phase II.

The University's construction commitments at June 30, 2020, are as follows:

	Amount (In Millions)
Total Committed	$ 136.9
Completed to Date	(102.1)
Balance Committed	$ 34.8

Additional information about the University's construction commitments is presented in the notes to financial statements.

Debt Administration

As of June 30, 2020, the University had $133.4 million in outstanding capital improvement debt payable and installment purchase payable, representing a decrease of $10.4 million, or 7.2 percent, from the prior fiscal year.

The following summarizes the outstanding long-term debt at June 30:

Long-Term Debt, at June 30

(In Millions)

	2020	2019
Capital Improvement Debt	$ 132.9	$ 142.8
Installment Purchase Payable	0.5	1.0
Total	$ 133.4	$ 143.8

Additional information about the University's long-term debt is presented in the notes to the financial statements.

ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

Florida's economy grew by 2.8 percent for the 2019 calendar year, which was 0.5 percent above the national average. These gains were effectively erased by the economic shutdown as a result of the quarantine restrictions placed in response to the global pandemic Coronavirus (COVID-19); the latest projections show declines of 1.3 percent for the 2019-20 fiscal year and 4.3 percent for the 2020-21 fiscal year, despite Federal assistance in the form of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The State estimates general revenues will begin to recover early in the 2021-22 fiscal year with the advent of an effective vaccine; however, the revenue growth will not be sufficient to cover expenses and this will create a funding shortfall of $2.7 billion in the 2021-22 fiscal year which will be reduced to $0.9 billion by the 2023-24 fiscal year.

The Florida 2020 legislative session ended in March 2020. However, Governor DeSantis did not sign the state budget for the 2020-21 fiscal year - General Appropriations Act House Bill 5001 (HB 5001) - until June 29, 2020, as he monitored the economic effects of COVID-19. The Governor vetoed $1 billion in spending and instituted a 6 percent release holdback of operating appropriations in an effort to curtail spending. The Governor's Office has also requested each university identify reductions in the amount of 8.5 percent of general revenue, lottery, and phosphate research trust funds to address potential revenue shortfalls in the 2020-21 fiscal year. FIU's reduction amounts under the 6 percent and 8.5 percent scenarios are $20.1 million and $28.5 million, respectively. FIU has developed plans to address both reduction scenarios and continues to carefully monitor spending and replace only essential positions.

The Legislature continues to support FIU with $341.5 million in State operating appropriations for the 2020-21 fiscal year, an increase of 6 percent or $19.3 million over the prior year. A significant portion of this increase was an allocation of $17 million in support of the FIU Next Horizon 2025 Strategic Plan, in addition to $3.3 million for health and risk management insurance increases, $0.9 million in performance funds, $1 million for the Institute of Economic Freedom, and a reduction of $2.9 million for prior year non-recurring special appropriations and partial reduction of a recurring special appropriation. Additionally, FIU received $15.3 million in capital appropriations consisting of $8.3 million for the Engineering Building and $7 million for the Student Union building expansion. As in prior years, tuition rates remain unchanged at all levels.

FIU received an allocation of $41.1 million under the CARES Act for emergency financial aid grant to students and institutional funds to cover any costs associated with significant changes to the delivery of instruction due to the Coronavirus.

FIU is closely monitoring and preparing for the uncertain times ahead and is well positioned to achieve the institution's mission to be a top 50 public university.

REQUESTS FOR INFORMATION

Questions concerning information provided in the MD&A or other required supplemental 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.

FLORIDA INTERNATIONAL UNIVERSITY
A COMPONENT UNIT OF THE STATE OF FLORIDA
STATEMENT OF NET POSITION
AS OF JUNE 30, 2020

	University	Component Units
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 9,881,826	$ 36,641,225
Investments	417,214,118	1,098,257
Accounts Receivable, Net	39,588,024	9,769,817
Loans and Notes Receivable, Net	437,362	-
Due from State	67,800,679	-
Due from Component Units/University	4,127,302	556,051
Inventories	455,396	-
Other Current Assets	1,788,708	1,805,207
Total Current Assets	541,293,415	49,870,557
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	359,625	-
Restricted Investments	24,074,489	284,982,865
Loans and Notes Receivable, Net	937,112	11,827,716
Depreciable Capital Assets, Net	848,067,803	15,615,018
Nondepreciable Capital Assets	140,000,653	-
Due from Component Units	7,549,457	-
Other Noncurrent Assets	-	15,540,325
Total Noncurrent Assets	1,020,989,139	327,965,924
Total Assets	1,562,282,554	377,836,481
DEFERRED OUTFLOWS OF RESOURCES		
Other Postemployment Benefits	113,649,616	-
Pensions	115,676,880	-
Accumulated Decrease in Fair Value of Hedging Derivatives	-	3,051,780
Deferred Amount on Bond Debt Refundings	-	191,469
Total Deferred Outflows of Resources	229,326,496	3,243,249
LIABILITIES		
Current Liabilities:		
Accounts Payable	23,032,529	1,935,907
Construction Contracts Payable	3,801,270	-
Salaries and Wages Payable	17,446,514	-
Deposits Payable	2,565,184	-
Due to State	365,170	-
Due to Component Units/University	556,051	3,775,391
Unearned Revenue	9,703,359	653,089
Other Current Liabilities	285,003	190,935
Long-Term Liabilities - Current Portion		
Bonds Payable	-	1,505,000
Capital Improvement Debt Payable	7,790,993	-
Notes Payable	-	960,000
Installment Purchase Payable	495,802	-
Compensated Absences Payable	3,879,213	-
Liability for Self-Insured Claims	27,579	-
Other Postemployment Benefits Payable	5,346,458	-
Net Pension Liability	987,192	-
Total Current Liabilities	76,282,317	9,020,322

FLORIDA INTERNATIONAL UNIVERSITY
A COMPONENT UNIT OF THE STATE OF FLORIDA
STATEMENT OF NET POSITION (CONTINUED)
AS OF JUNE 30, 2020

	University	Component Units
LIABILITIES (Continued)		
Noncurrent Liabilities:		
Bonds Payable	-	24,315,000
Capital Improvement Debt Payable	125,126,672	-
Notes Payable	-	1,075,000
Compensated Absences Payable	50,772,982	-
Due to University	-	7,549,457
Other Postemployment Benefits Payable	397,648,352	-
Unearned Revenue	59,376,418	150,000
Liability for Self-Insured Claims	1,692	-
Other Long-Term Liabilities	2,159,040	14,335,950
Net Pension Liability	276,240,499	-
Total Noncurrent Liabilities	911,325,655	47,425,407
Total Liabilities	987,607,972	56,445,729
DEFERRED INFLOWS OF RESOURCES		
Other Postemployment Benefits	68,294,597	-
Pensions	17,081,269	-
Total Deferred Inflows of Resources	85,375,866	-
NET POSITION		
Net Investment in Capital Assets	854,812,362	13,037,108
Restricted for Nonexpendable:		
Endowment	-	185,009,260
Restricted for Expendable:		
Debt Service	7,434	-
Loans	919,406	-
Capital Projects	29,334,648	-
Other	24,078,491	115,065,140
Unrestricted	(190,527,129)	11,522,493
TOTAL NET POSITION	$ 718,625,212	$ 324,634,001

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, 2020

	University	Component Units
REVENUES		
Operating Revenues:		
Student Tuition and Fees, Net of Scholarship Allowances of $193,887,705	$ 272,685,472	$ -
Federal Grants and Contracts	104,683,911	-
State and Local Grants and Contracts	8,983,623	-
Nongovernmental Grants and Contracts	18,955,692	-
Sales and Services of Educational Departments	798,628	-
Sales and Services of Auxiliary Enterprises	103,815,288	-
Sales and Services of Component Units	-	7,695,840
Gifts and Donations	-	26,614,355
Interest on Loans and Notes Receivable	39,688	-
Other Operating Revenues	22,544,180	9,165,717
Total Operating Revenues	532,506,482	43,475,912
EXPENSES		
Operating Expenses:		
Compensation and Employee Benefits	770,119,476	-
Services and Supplies	184,178,245	43,364,087
Utilities and Communications	16,295,119	378,619
Scholarships, Fellowships, and Waivers	139,149,905	-
Depreciation	46,584,780	830,551
Self-Insurance Claims	55,231	-
Total Operating Expenses	1,156,382,756	44,573,257
Operating Loss	(623,876,274)	(1,097,345)
NONOPERATING REVENUES (EXPENSES)		
State Noncapital Appropriations	323,326,899	-
Federal and State Student Financial Aid	201,209,880	-
Noncapital Grants, Contracts, and Gifts	24,228,254	-
Investment Income	15,652,768	8,277,906
Other Nonoperating Revenues	16,336,756	5,861,341
Loss on Disposal of Capital Assets	(6,273,135)	-
Interest on Capital Asset-Related Debt	(5,235,906)	(1,315,476)
Other Nonoperating Expenses	(1,954,418)	(3,250,928)
Net Nonoperating Revenues	567,291,098	9,572,843
(Loss) Income Before Other Revenues	(56,585,176)	8,475,498
State Capital Appropriations	4,046,808	-
Capital Grants, Contracts, and Donations	1,083,497	-
(Decrease) Increase in Net Position	(51,454,871)	8,475,498
Net Position, Beginning of Year	758,984,006	316,158,503
Adjustment to Beginning Net Position	11,096,077	-
Net Position, Beginning of Year, as Restated	770,080,083	316,158,503
Net Position, End of Year	$ 718,625,212	$ 324,634,001

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, 2020

	University
CASH FLOWS FROM OPERATING ACTIVITIES	
Student Tuition and Fees, Net	$ 272,530,002
Grants and Contracts	138,434,789
Sales and Services of Educational Departments	798,628
Sales and Services of Auxiliary Enterprises	102,684,473
Interest on Loans and Notes Receivable	38,243
Payments to Employees	(682,256,124)
Payments to Suppliers for Goods and Services	(206,908,078)
Payments to Students for Scholarships and Fellowships	(139,149,905)
Payments on Self-Insured Claims	(239,161)
Loans Issued to Students	(3,679,139)
Collection on Loans to Students	4,122,863
Other Operating Receipts	27,743,056
Net Cash Used by Operating Activities	(485,880,353)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Noncapital Appropriations	323,326,899
Federal and State Student Financial Aid	201,209,880
Noncapital Grants, Contracts, and Gifts	24,514,776
Federal Direct Loan Program Receipts	244,525,754
Federal Direct Loan Program Disbursements	(244,533,971)
Operating Subsidies and Transfers	351,033
Net Change in Funds Held for Others	(120,659)
Other Nonoperating Receipts	5,514,822
Other Nonoperating Disbursements	(1,924,598)
Net Cash Provided by Noncapital Financing Activities	552,863,936
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
State Capital Appropriations	3,339,766
Capital Grants, Contracts, and Donations	584,297
Other Receipts for Capital Projects	10,821,933
Capital Subsidies and Transfers	(653,885)
Purchase or Construction of Capital Assets	(41,634,743)
Principal Paid on Capital Debt	(10,114,019)
Interest Paid on Capital Debt	(5,636,899)
Net Cash Used by Capital and Related Financing Activities	(43,293,550)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales and Maturities of Investments	1,053,613,221
Purchase of Investments	(1,082,006,176)
Investment Income	8,461,988
Net Cash Used by Investing Activities	(19,930,967)
Net Increase in Cash and Cash Equivalents	3,759,066
Cash and Cash Equivalents, Beginning of Year	6,482,385
Cash and Cash Equivalents, End of Year	$ 10,241,451

	University
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Loss	$ (623,876,274)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation Expense	46,584,780
Changes in Assets, Liabilities, Deferred Outflows of Resources, and Deferred Inflows of Resources:	
Receivables, Net	7,367,197
Inventories	(85,430)
Other Assets	(1,515,170)
Accounts Payable	(4,727,016)
Salaries and Wages Payable	3,298,652
Deposits Payable	70,303
Compensated Absences Payable	5,664,829
Other Postemployment Benefits Payable	131,819,810
Unearned Revenue	2,621,836
Liability for Self-Insured Claims	(183,930)
Pension Liability	37,202,023
Deferred Outflows of Resources Related to Other Postemployment Benefits	(108,115,949)
Deferred Outflows of Resources Related to Pensions	9,031,603
Deferred Inflows of Resources Related to Other Postemployment Benefits	12,602,406
Deferred Inflows of Resources Related to Pensions	(3,640,023)
NET CASH USED BY OPERATING ACTIVITIES	$ (485,880,353)

SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND CAPITAL 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.	$ 7,306,371
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.	$ (6,273,135)
Donations 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.	$ 469,200
The Division of Bond Finance issued $19,805,000 of Capital Improvement Parking Revenue Refunding Bonds, Series 2019A, to refund $25,110,000 of outstanding Capital Improvement Parking Revenue Bonds, Series 2009B. The new debt and defeasance of the old debt were recorded as an increase and a decrease, respectively, to capital improvement debt payable on the statement of net position; however, because the proceeds of the new debt were immediately placed into an irrevocable trust for the defeasance of the Series 2009B debt, the transaction did not affect cash and cash equivalents.	$ 5,305,000

The accompanying notes to financial statements are an integral part of this statement.

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 13 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, and selecting 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 in achieving excellence by providing supplemental resources from private gifts and bequests, and valuable education support services and are governed by separate boards. Florida Statutes 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.
- 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.
- 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.

The financial activities of the Florida International University Research Foundation, Inc. (Research Foundation) are not included in the University's financial statements. 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. It receives 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. The total assets and operating revenues related to the Research Foundation are $127,854 and $10, respectively. The amounts represent less than one percent of the total aggregate component units' assets and operating revenues.

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's Office. 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

Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues, expenses, and 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 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, 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 follows GASB standards of accounting and financial reporting.

The University's discretely presented component units use the economic resources measurement focus and the 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.

Significant interdepartmental sales between auxiliary service departments and other institutional departments have been eliminated.

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 of 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. Other revenues generally include revenues for capital construction projects.

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 the student or the 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 concentration of credit risk consist principally of cash and cash equivalents in banks, investments, and promises to give.

Financial instruments that potentially subject the Finance Corporation to concentration of credit risk consist principally of cash in banks and investments.

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, with the exception noted above, are insured or collateralized with securities held by the entity or its agent in the entity's name.

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, 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 $100,000 for new 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
- Infrastructure and Other Improvements – 15 years
- Furniture and Equipment – 3 to 20 years
- Library Resources – 10 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 $8,328,501. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, ranging from five to 40 years.

Depreciable assets of the Finance Corporation are stated at cost and are net of accumulated depreciation of $83,950. Depreciation is provided using the straight-line method over the estimated useful lives of five years for the assets.

Depreciable assets of the Health Care Network are stated at cost and are net of accumulated depreciation of $461,258. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, ranging from five to 15 years.

Noncurrent Liabilities

Noncurrent liabilities include capital improvement debt payable, compensated absences payable, other postemployment benefits payable, unearned revenues, liability for Self-Insured Claims, other long-term liabilities, and net pension liabilities that are not scheduled to be paid within the next fiscal year. Capital improvement debt is reported net of unamortized premiums and deferred losses 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.

Pensions

For purposes of measuring the net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan and additions to/deductions from the FRS and the HIS fiduciary net positions have been determined on the same basis as they are reported by the FRS and the HIS plans. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

2. ADJUSTMENT TO BEGINNING NET POSITION

The beginning net position of the University was increased by $11,096,077 for the carrying value of a building acquired upon the governmental merger with the Torrey Pines Institute for Molecular Studies, Inc. Additional information on the adjustment to beginning balance of capital assets and the governmental merger can be found in notes 8 and 24 to the financial statements.

3. DEFICIT NET POSITION IN INDIVIDUAL FUNDS

The University reported an unrestricted net position which included a deficit in the current funds - unrestricted as shown below.

Fund	Net Position
Current Funds - Unrestricted	$ (466,463,992)
Auxiliary Funds	275,936,863
Total	$ (190,527,129)

As shown in the following schedule, this deficit can be attributed to the full recognition of long-term liabilities (i.e., compensated absences payable, OPEB payable, and net pension liabilities) in the current unrestricted funds that are expected to be paid over time and financed by future appropriations:

		Amount
Total Unrestricted Net Position Before Recognition of Long-Term Liabilities, Deferred Outflows of Resources, and Deferred Inflows of Resources		$ 393,854,717
Amount Expected to be Financed in Future Years:		
Compensated Absences Payable	$ 48,109,975	-
Other Postemployment Benefits Payable and Related Deferred Outflows of Resources and Deferred Inflows of Resources	357,639,791	-
Net Pension Liability and Related Deferred Outflows of Resources and Deferred Inflows of Resources	178,632,080	-
Total Amount Expected to be Financed in Future Years		(584,381,846)
Total Unrestricted Net Position		$ (190,527,129)

4. 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; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; 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; 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 categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

The University's recurring fair value measurements as of June 30, 2020 for SBA debt service accounts, certain corporate equities and certain fixed income and bond mutual funds are valued using quoted market prices (Level 1 inputs), certain corporate equities and certain fixed income and bonds, and commodities which are valued using a matrix pricing model (Level 2 inputs), investments with the State Treasury which are valued based on the University's share of the pool, investments in bank loans (fixed income), and other investments (Level 3 inputs), and investments in limited partnerships and private equities which are valued based on net asset value (NAV). The University's investment in money market funds are reported at amortized cost of $173,185,419 according to GASB Statement No. 72.

The University's investments at June 30, 2020, are reported at fair value, as follows:

		Fair Value Measurement Using		
Investments by Fair Value Level	**Amount**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
External Investment Pool				
State Treasury Special Purpose Investment Account	$ 10,775,323	$ -	$ -	$ 10,775,323
SBA Debt Service Accounts	7,433	7,433	-	-
Mutual Funds				
Equities	23,806,861	8,374,004	15,432,857	-
Fixed Income and Bond Mutual Funds	165,731,941	46,062,820	107,441,101	12,228,020
Commodities	9,594,146	-	9,594,146	-
Other Investments	10,561,000	-	-	10,561,000
Total Investments by Fair Value Level	220,476,704	$ 54,444,257	$ 132,468,104	$ 33,564,343
Investments Measured at the Net Asset Value (NAV)				
Mutual Funds				
Limited Partnerships	33,862,191			
Equities	13,764,293			
Total Investments Measured at the NAV	47,626,484			
Total Investments Measured at Fair Value	$ 268,103,188			

The valuation method for investments measured at the NAV per share (or its equivalent) is presented in the following table:

Investments Measured at the NAV	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Mutual Funds				
Limited Partnerships	$ 33,862,191	$ -	Quarterly/Annually	90 Days
Equities	13,764,293	6,495,142	Illiquid	N/A
Total Investments Measured at the NAV	$ 47,626,484			

Limited Partnerships: This category includes investments in a fund that invests in a portfolio of limited partnerships. The managers pursue multiple strategies to diversify risk and reduce volatility. The fair values of the investments have been determined by using the NAV per share of the investments. Redemption requests are received quarterly and require a 90 day written notice. Proceeds of the redemption, up to 90 percent, are available 17 business days after the redemption. The remaining 10 percent of the funds, in a complete liquidation, are available on the first week of April, after the redemption.

Equities: This category includes investments in two private equity funds. Each fund invests in equity securities and debt of the private companies or conduct buyouts of public companies that result in a delisting of public equity. The nature of the investment in this category prohibits redemptions through the duration of the partnerships. Distributions are received through the liquidation of underlying assets of the funds.

External Investment Pools

The University reported investments at fair value totaling $10,775,323 at June 30, 2020, in the State Treasury Special Purpose Investment Account (SPIA) investment pool, representing ownership of a share of the pool, not the underlying securities (Level 3 inputs).

Pooled investments with the State Treasury are not registered with the Securities and Exchange Commission. Oversight of the pooled investments with the State Treasury is provided by the Treasury Investment Committee per Section 17.575, Florida Statutes. The authorized investment types are set forth in Section 17.57, Florida Statutes. The State Treasury SPIA investment pool carried a credit rating of AA-f by Standard & Poor's, had an effective duration of 0.43 years and fair value factor of 1.0291 at June 30, 2020. Participants contribute to the State Treasury SPIA investment pool on a dollar basis. These funds are commingled and a fair value of the pool is determined from the individual values of the securities. The fair value of the securities is summed and a total pool fair value is determined. A fair value factor is calculated by dividing the pool's total fair value by the pool participant's total cash balances. The fair value factor is the ratio used to determine the fair value of an individual participant's pool balance. 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 Debt Service Accounts

The University reported investments totaling $7,433 at June 30, 2020, 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 the SBA for managing interest rate risk and 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, 2020, are as follows:

University Debt Investment Maturities

		Investment Maturities (In Years)			
Type of Investment	**Fair Market Value**	**Less Than 1**	**1-5**	**6-10**	**More Than 10**
Short Term Bond Fund	$ 11,173,702	$ 1,743,423	$ 9,430,279	$ -	$ -
Bond Index Fund	34,889,118	429,460	19,557,242	7,555,811	7,346,605
TIPS Index Fund	42,311,628	16,924	18,870,986	16,281,515	7,142,203
Core Fixed Income	34,646,900	1,502,806	15,633,101	10,163,915	7,347,078
Credit Fixed Income	30,131,091	4,099,174	7,505,960	7,726,303	10,799,654
Student Managed Investment Fund	351,482	14,233	272,305	52,747	12,197
Secured Bank Loans	12,228,020	26,902	5,910,291	6,288,259	2,568
Total	$ 165,731,941	$ 7,832,922	$ 77,180,164	$ 48,068,550	$ 32,650,305

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2020, the securities held in the fixed income and bond mutual funds had credit quality ratings by a nationally-recognized rating 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**
Short Term Bond Fund	$ 11,173,702	$ 4,312,900	$ 659,226	$ 2,257,010	$ 3,944,566
Bond Index Fund	34,889,118	22,228,101	1,255,234	4,417,726	6,988,057
TIPS Index Fund	42,311,628	42,311,628	-	-	-
Core Fixed Income	34,646,900	19,207,263	205,608	4,119,024	11,115,005
Credit Fixed Income	30,131,091	1,725,542	2,535,372	10,155,795	15,714,382
Student Managed Investment Fund	351,482	207,000	-	75,341	69,141
Secured Bank Loans	12,228,020	-	-	-	12,228,020
Total	$ 165,731,941	$ 89,992,434	$ 4,655,440	$ 21,024,896	$ 50,059,171

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 has no formal policy on concentration of credit risk.

Discretely Presented Component Unit Investments

The Foundation's investments at June 30, 2020, are reported at fair value as follows:

		Fair Value Measurement Using		
Investments by Fair Value Level	**Amount**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Domestic Equities	$ 135,161	$ 135,161	$ -	$ -
Global Equities	55,706,286	55,706,286	-	-
Fixed Income	19,196,861	19,196,861	-	-
Land Held for Investments	1,411,550	-	-	1,411,550
Total Investments by Fair Value Level	$ 76,449,858	$ 75,038,308	$ -	$ 1,411,550
Investments Measured at the Net Asset Value (NAV)				
Domestic Equities	34,144,648			
Global Equities	59,232,200			
Fixed Income	1,200			
Real Assets	3,622,426			
Hedge Funds	53,236,246			
Private Investments	55,514,428			
Total Investments Measured at the NAV	205,751,148			
Total Investments Measured at Fair Value	$ 282,201,006			

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented in the following table:

Investments Measured at the NAV	**Fair Value**	**Unfunded Commitments**	**Redemption Frequency (if Currently Eligible)**	**Redemption Notice Period**
Equities:				
Domestic Equities	$ 34,144,648	$ -	Monthly/Quarterly	5 - 45 Days
Global Equities	46,267,884	-	Monthly/Quarterly	6 - 60 Days
Emerging Markets	12,964,316	-	Monthly	7 - 30 Days
Fixed Income:				
Global Bonds	1,200	-	Monthly	10 Days
Real Assets:				
Natural Resource Equities	3,622,426	-	Monthly	30 Days
Hedge Funds:				
Long/Short Equity	38,779,177	-	Monthly - Every 3 Years	30 - 180 Days
Event Driven/Open Mandate	14,457,069	-	Quarterly - Annually	45 - 90 Days
Private Investments:				
Private Equity	30,750,206	23,056,167	Illiquid	N/A
Venture Capital	24,764,222	1,465,000	Illiquid	N/A
Total Investments Measured at the NAV	$ 205,751,148	$ 24,521,167		

Net Asset Value

The investments held at net asset value reflect:

Domestic Equities: This category includes investments in publicly listed equities of companies domiciled in the U.S.

Global Equities: This category includes investments in publicly listed equities of companies domiciled globally.

Emerging Markets: This category includes investments in publicly listed equities of companies listed in markets which have been categorized as emerging.

Global Bonds: This category includes investments in globally listed public debt instruments.

Natural Resources Equities: This category includes investments in publicly listed equities of companies that derive a substantial portion of their operations from natural resources related business operations.

Long/Short Equity: This category includes investments in hedge funds that invest domestically and globally in both long and short common stocks across all market capitalizations. These investments offer a low correlation to traditional long-only equity benchmarks in order to achieve absolute return. Management of the hedge funds may opportunistically shift investments across sectors, geographies, and net market exposures.

Event Driven/Open Mandate: This category includes investments in hedge funds that invest in event-driven strategies including merger arbitrage, distressed debt, and convertible arbitrage to achieve returns.

Private Equity: This category includes investments in several limited partnership funds that invest in equity securities and debt of private companies or conduct buyouts of public companies that result in a delisting of public equity. The nature of the investment in this category prohibits redemptions through the duration of the partnership, which ranges between 10 to 15 years. Distributions are received through the liquidation of underlying assets of the funds.

Venture Capital: This category includes investments in several limited partnership funds that invest in early-stage, high-potential startup companies or small businesses that do not have access to public funding. The nature of the investment in this category prohibits redemptions through the duration of the partnership, which ranges between 10 to 15 years. Distributions are received when underlying companies are exited via acquisition or IPO.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2020, the Foundation securities held in domestic fixed income were rated AA+ by Standard and Poor's.

At June 30, 2020, the Finance Corporation money market mutual fund investments were rated AAAm by Standard and Poor's.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the investments in a single issuer. The Foundation maintains certain investment accounts with financial institutions which are not insured by the FDIC. These funds may be subject to insurance by Securities Investor Protection Corporation, subject to various limitations. At June 30, 2020, approximately $307,344,000 was held in these accounts. The Foundation believes that the number, diversity, and financial strength of the issuers mitigates the credit risks associated with all investments.

The Finance Corporation also maintains investment accounts with financial institutions that are not insured by the FDIC. These investments are made in accordance with the trust indenture. Money market fund shares are not guaranteed by the Federal government. Investments are reported at amortized cost of $3,880,116 at June 30, 2020, which is generally the equivalent of fair value. The Finance Corporation believes that the number, diversity, and financial strength of the issuers mitigate the credit risks associated with all investments.

All of the Finance Corporation's investments at June 30, 2020, are held with Regions Morgan Keegan and are invested in money market funds. According to the bond indenture, the Finance Corporation can invest the bond proceeds in these investment vehicles; there are no stated limitations on the amount that can be invested in any one issuer. The short term nature of the investments is due to liquidity needs, since those funds are being used for operating expenses and debt service payments.

Interest Rate Risk: Interest rate risk is the risk that changing interest rates will adversely affect the fair value of an investment. A portfolio's weighted average days to maturity (WAM) reflects the average maturity in days based on the final maturity or reset date, in the case of floating-rate instruments. WAM measures the sensitivity of the fund to interest rate changes. A portfolio's weighted average life (WAL) calculation is based on a security's stated final maturity date or, when relevant, the date of the next demand feature when the fund may receive payment of principal and interest. WAL reflects how a portfolio would react to deteriorating credit or tightening liquidity conditions. The Finance Corporation's money market mutual fund's WAM at June 30, 2020, is 43 days while the WAL is 104 days.

5. 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, 2020, the University reported the following amounts as accounts receivable:

Description	Amount
Student Tuition and Fees	$ 26,172,176
Contracts and Grants	12,858,552
Other	557,296
Total Accounts Receivable, Net	$ 39,588,024

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.

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 $8,463,283 and $1,345,023, respectively, at June 30, 2020.

6. DUE FROM STATE

The amount due from State consists of $15,852,040 of Public Education Capital Outlay, $19,331,886 of Capital Improvement Fee Trust Fund, and $32,616,753 General Revenues allocation for construction of University facilities.

7. DUE FROM AND TO COMPONENT UNITS/UNIVERSITY

The University's financial statements are reported for the fiscal year ended June 30, 2020. 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 do not agree with amounts reported by the component units as due from and to the University.

8. CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2020, is shown in the following table:

Description	Beginning Balance	Additions	Reductions	Ending Balance
Nondepreciable Capital Assets:				
Land	$ 30,689,426	$ -	$ -	$ 30,689,426
Works of Art and Historical Treasures	6,671,224	565,800	-	7,237,024
Construction in Progress	92,072,262	27,416,473	17,414,532	102,074,203
Total Nondepreciable Capital Assets	$ 129,432,912	$ 27,982,273	$ 17,414,532	$ 140,000,653
Depreciable Capital Assets:				
Buildings (1)	$ 1,189,567,870	$ 10,462,240	$ -	$ 1,200,030,110
Infrastructure and Other Improvements	48,747,219	600,000	-	49,347,219
Furniture and Equipment	150,164,036	11,442,773	5,074,866	156,531,943
Library Resources	126,157,779	4,565,249	11,633	130,711,395
Leasehold Improvements	752,567	-	-	752,567
Computer Software	3,445,496	144,358	90,241	3,499,613
Total Depreciable Capital Assets	1,518,834,967	27,214,620	5,176,740	1,540,872,847
Less, Accumulated Depreciation:				
Buildings	413,339,409	28,313,337	-	441,652,746
Infrastructure and Other Improvements	20,003,842	2,417,322	-	22,421,164
Furniture and Equipment	109,445,038	10,575,199	5,002,959	115,017,278
Library Resources	104,944,504	4,990,022	11,633	109,922,893
Leasehold Improvements	582,270	65,922	-	648,192
Computer Software	2,998,832	222,978	79,039	3,142,771
Total Accumulated Depreciation	651,313,895	46,584,780	5,093,631	692,805,044
Total Depreciable Capital Assets, Net	$ 867,521,072	$ (19,370,160)	$ 83,109	$ 848,067,803

(1) Buildings beginning balance was adjusted by $11,096,077 for the carrying value of a building acquired upon the governmental merger with the Torrey Pines Institute for Molecular Studies, Inc. Additional information on the governmental merger can be found in note 24 to the financial statements.

9. CURRENT UNEARNED REVENUE

Unearned revenue includes Public Education Capital Outlay appropriations for which the University had not yet received approval from the Florida Department of Education, as of June 30, 2020, to spend the funds.

Unearned revenue at June 30, 2020 includes contracts and grant payments received in advance, prepaid stadium rental income received from the Finance Corporation, nonrefundable admission fees, athletic revenues, deferred rent, conference center fees, land use fees, reservation system fees, and rental income received prior to fiscal year end related to subsequent accounting periods.

As of June 30, 2020, the University reported the following amounts as unearned revenue:

Description	Amount
Contracts and Grants	$ 5,950,903
Stadium Rental Income	1,304,083
Admission Fees	1,247,958
State Capital Appropriations	500,000
Athletic Revenues	217,000
Deferred Rent	226,437
Conference Center Fees	171,343
Land Use Fees	52,381
Reservation System Fees	28,205
Rental Income	5,049
Total Current Unearned Revenue	$ 9,703,359

10. LONG-TERM LIABILITIES

Long-term liabilities of the University at June 30, 2020, include capital improvement debt payable, installment purchase payable, compensated absences payable, other postemployment benefits payable, the long-term portion of unearned revenue, liability for self-insured claims, net pension liability, and other long-term liabilities.

Long-term liabilities activity for the fiscal year ended June 30, 2020, is shown below:

Description	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Capital Improvement Debt Payable	$ 142,752,056	$ 22,736,602	$ 32,570,993	$ 132,917,665	$ 7,790,993
Installment Purchase Payable	985,448	-	489,646	495,802	495,802
Compensated Absences Payable	48,987,366	9,640,500	3,975,671	54,652,195	3,879,213
Other Postemployment Benefits Payable	271,175,000	205,648,074	73,828,264	402,994,810	5,346,458
Unearned Revenue	53,240,211	8,219,109	2,082,902	59,376,418	-
Liability for Self-Insured Claims	213,201	35,285	219,215	29,271	27,579
Net Pension Liability	240,025,668	178,991,776	141,789,753	277,227,691	987,192
Other Long-Term Liabilities	2,273,352	-	114,312	2,159,040	-
Total Long-Term Liabilities	$ 759,652,302	$ 425,271,346	$ 255,070,756	$ 929,852,892	$ 18,527,237

Capital Improvement Debt Payable

The University had the following capital improvement debt payable outstanding at June 30, 2020:

Capital Improvement Debt Type and Series	Amount of Original Debt	Amount Outstanding (1)	Interest Rates (Percent)	Maturity Date To
Student Housing Debt:				
2011A Student Apartments Refunding	$ 22,210,000	$ 9,630,220	3.00 - 3.50	2025
2012A Student Apartments	53,655,000	46,125,894	3.00 - 4.25	2041
2015A Student Apartments Refunding	29,105,000	22,586,921	3.00 - 5.00	2034
Total Student Housing Debt	104,970,000	78,343,035		
Parking Garage Debt:				
2013A Parking Garage	45,415,000	32,599,608	3.00 - 5.25	2043
2019A Parking Garage Refunding	19,805,000	21,975,022	4.00 - 5.00	2039
Total Parking Garage Debt	65,220,000	54,574,630		
Total Capital Improvement Debt	$ 170,190,000	$ 132,917,665		

Note: (1) Amount outstanding includes unamortized 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 $170,190,000 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 $186,904,769, and principal and interest paid for the current year totaled $15,251,231. During the 2019-20 fiscal year, housing rental income totaled $20,733,589, and parking fees totaled $13,685,473, comprised of traffic and parking fees totaling $2,066,958, and assessed transportation fees totaling $11,618,515.

The University extinguished long-term capital improvement debt obligations by the issuance of new long-term capital improvement debt instruments as follows:

- On July 2, 2019, the Florida Board of Governors issued $19,805,000 of Capital Improvement Parking Revenue Refunding Bonds, Series 2019A. The capital improvement debt proceeds were used to defease $25,110,000 of outstanding Capital Improvement Parking Revenue Bonds, Series 2009B. Securities 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 $8,757,972 over the next 19 years and obtained an economic gain of $4,122,977. At June 30, 2020, there was no outstanding balance of the defeased debt.

Annual requirements to amortize all capital improvement debt outstanding as of June 30, 2020, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2021	$ 7,390,000	$ 5,300,969	$ 12,690,969
2022	7,665,000	5,041,469	12,706,469
2023	6,320,000	4,725,619	11,045,619
2024	6,550,000	4,501,344	11,051,344
2025	6,880,000	4,231,725	11,111,725
2026-2030	30,235,000	17,219,700	47,454,700
2031-2035	29,305,000	11,253,475	40,558,475
2036-2040	25,565,000	5,419,806	30,984,806
2041-2043	8,590,000	710,662	9,300,662
Subtotal	128,500,000	58,404,769	186,904,769
Net Premiums and Losses on Bond Refundings	4,417,665	-	4,417,665
Total	$ 132,917,665	$ 58,404,769	$ 191,322,434

Installment Purchase Payable

The University has entered into an installment purchase agreement for the purchase of equipment totaling $2,425,770. The stated interest rate is 1.2515 percent.

The installment purchase agreement contains a provision that, in the event of default, outstanding amounts become immediately due if the University is unable to make payment.

Future minimum payments remaining under the installment purchase agreement and the present value of the minimum payments as of June 30, 2020, are as follows:

Fiscal Year Ending June 30	Amount
2021	$ 499,686
Total Minimum Payments	499,686
Less, Amount Representing Interest	3,884
Present Value of Minimum Payments	$ 495,802

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, 2020, the estimated liability for compensated absences, which includes the University's share of the Florida Retirement System and FICA contributions, totaled $54,652,195. The current portion of the compensated absences liability, $3,879,213, 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. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for certain postemployment healthcare benefits administered by the State Group Health Insurance Program.

General Information about the OPEB Plan

Plan Description. The Division of State Group Insurance's Other Postemployment Benefits Plan (OPEB Plan) is a multiple-employer defined benefit plan administered by the State of Florida. 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. Retirees and their eligible dependents shall be offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. A retiree means any officer or employee who retires under a State retirement system or State optional annuity or retirement program or is placed on disability retirement and who begins receiving retirement benefits immediately after retirement from employment. In addition, any officer or employee who retires under the Florida Retirement System Investment Plan is considered a "retiree" if he or she meets the age and service requirements to qualify for normal retirement or has attained the age of 59.5 years and has the years of service required for vesting. The University subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB 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 retiree healthcare costs are generally greater than active employee healthcare costs. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The OPEB Plan contribution requirements and benefit terms necessary for the funding of the OPEB Plan each year is on a pay-as-you-go basis as established by the Governor's recommended budget and the General Appropriations Act. Retirees are required to enroll in the Federal Medicare (Medicare) program for their primary coverage as soon as they are eligible.

Benefits Provided. The OPEB Plan provides healthcare benefits for retirees and their dependents. The OPEB Plan only provides an implicit subsidy as described above.

Proportionate Share of the Total OPEB Liability

The University's proportionate share of the total OPEB liability of $402,994,810 was measured as of June 30, 2019 and was determined by an actuarial valuation as of July 1, 2019. At June 30, 2019, the University's proportionate share, determined by its proportion of total benefit payments made, was 3.18 percent, which was an increase of 0.61 percent from its proportionate share measured as of June 30, 2018.

Actuarial Assumptions and Other Inputs. The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.60 percent
Salary Increases	Varies by FRS class
Discount Rate	2.79 percent
Healthcare Cost Trend Rates PPO Plan	6.7 percent for 2020, decreasing to an ultimate rate of 5.4 percent for 2071 and years later for all employees in the Preferred Provider Option (PPO) Plan.
HMO Plan	5.2 percent for 2020, increasing to an ultimate rate of 5.4 percent for 2071 and years later for all employees in the Health Maintenance Organization (HMO) Plan.
Retirees' Share of Benefit-related Costs	100 percent of projected health insurance premiums for retirees

The discount rate was based on the S&P Municipal 20-year High Grade Rate Index.

Mortality rates were based on the Generational RP-2000 with Projected Scale BB.

The demographic actuarial assumptions for retirement, withdrawal, disability and salary merit scales used in the July 1, 2019 valuation are consistent with the assumptions used in the July 1, 2018 valuation of the FRS Plan.

The following changes have been made since the prior valuation:

- The census data reflects changes in status for the twenty-four (24) month period since July 1, 2019.
- The discount rate was updated to utilize the mandated discount rate based on a 20-year S&P Municipal Bond Rate Index as of the measurement date, as required under GASB 75. Due to the change in the benchmark used as well as the market environment changes between June 30, 2018 and June 30, 2019, the discount rate decreased from 3.87 percent to 2.79 percent, resulting in higher liabilities to be reported for the reporting period ending June 30, 2020.
- In addition, the liability was increased by approximately 12 percent due to the full impact of the Excise Tax that will come into effect in 2022. There is a reasonable chance that this tax will be repealed before it actually takes effect.
- The assumed claims and premiums reflect the actual claims information as well as the premiums that are actually being charged to participants. These updates resulted in lower liabilities as of June 30, 2019.
- The medical trend assumption each year is updated each year based on the Getzen Model. The medical trend rates used are consistent with the August 2019 Report on the Financial Outlook of the Plan along with information from the Getzen Model and actuarial judgment. The impact of the trend rate changes is a decrease in the liability, due primarily to lower trend rates in the first several years.
- The mortality rates were updated to those required by Chapter 2015-157, Florida Statutes for pension plans. This law mandates the use of the assumption used in either of the two most recent valuations of the FRS. The rates are those outlined in Milliman's July 1, 2018 FRS valuation report. The impact of this change was very small and does not materially impact the results.

Sensitivity of the University's Proportionate Share of the Total OPEB Liability to Changes in the Discount Rate. The following presents the University's proportionate share of the total OPEB liability, as well as what the University's proportionate share of the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.79 percent) or 1 percentage point higher (3.79 percent) than the current rate:

	1% Decrease (1.79%)	Current Discount Rate (2.79%)	1% Increase (3.79%)
University's proportionate share of the total OPEB liability	$ 505,148,961	$ 402,994,810	$ 325,478,944

Sensitivity of the University's Proportionate Share of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following table presents the University's proportionate share of the total OPEB liability, as well as what the University's proportionate share of the total OPEB liability would be if it were calculated using healthcare cost trend rates that is 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
University's proportionate share of the total OPEB liability	$ 316,530,865	$ 402,994,810	$ 523,122,298

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2020, the University recognized OPEB expense of $41,652,725. At June 30, 2020, the University reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 10,375,365
Changes of assumptions or other inputs	50,528,017	56,988,099
Changes in proportion and differences between University benefit payments and proportionate share of benefit payments	57,775,141	931,133
Transactions subsequent to the measurement date	5,346,458	-
Total	$ 113,649,616	$ 68,294,597

Of the total amount reported as deferred outflows of resources related to OPEB, $5,346,458 resulting from transactions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the total OPEB liability and included in OPEB expense in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30	Amount
2021	$ 3,301,742
2022	3,301,742
2023	3,301,742
2024	3,301,742
2025	3,301,739
Thereafter	23,499,854
Total	$ 40,008,561

Unearned Revenue

Long-term unearned revenue at June 30, 2020, includes Public Education Capital Outlay appropriations for which the University had not yet received approval from the Florida Department of Education to spend the funds. Also included are prepaid stadium rental income received from the Finance Corporation, a National Institute of Health Grant, land use fees, and other unearned revenues received prior to the fiscal year-end related to subsequent accounting periods.

As of June 30, 2020, the University reported the following amounts as long-term unearned revenue:

Description	Amount
State Capital Appropriations	$ 32,367,290
Stadium Rental Income	15,540,325
National Institute of Health Grant	9,500,000
Land Use Fees	1,804,045
Other Unearned Revenue	164,758
Total Unearned Revenue	$ 59,376,418

Net Pension Liability

As a participating employer in the Florida Retirement System, the University recognizes its proportionate share of the collective net pension liabilities of the FRS cost-sharing multiple-employer defined benefit plans. As of June 30, 2020, the University's proportionate share of the net pension liabilities totaled $277,227,691.

Other Long-Term Liabilities

Primarily represent 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.

11. DISCRETELY PRESENTED 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. 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, was synthetically fixed at 4.63 percent through February 1, 2015, by way of an interest rate swap agreement with a commercial bank. 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, 2020, the outstanding principal balance due under this note payable was $2 million. For the year ended June 30, 2020, total interest incurred and paid was $84,231.

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. 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, 2020, are shown in the following table:

Fiscal Year Ending June 30	Amount
2021	$ 960,000
2022	1,075,000
Total	$ 2,035,000

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. In June of 2015 the Health Care Network renegotiated the loan agreement with the University and borrowed an additional $3,015,652. The total loaned by the University to Health Care Network is $8,633,962. Interest on the loan accrues at two percent simple interest and the loan is scheduled to mature on June 1, 2036.

Estimated principal and interest payments for the life of the amounts due to the University based on the balances as of June 30, 2020, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2021	$ 351,033	$ 140,965	$ 491,998
2022	362,973	133,944	496,917
2023	375,202	126,685	501,887
2024	387,725	119,181	506,906
2025	400,549	111,426	511,975
2026-2030	2,206,083	431,619	2,637,702
2031-2035	2,575,678	196,574	2,772,252
2036	389,006	7,780	396,786
Total	$ 7,048,249	$ 1,268,174	$ 8,316,423

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.

On December 21, 2016, the Finance Corporation entered into four amendments to the trust indenture between Miami-Dade Authority and the Trustee which authorized the reissuance of the Series 2009A Bonds through the issuance of four separate series of bonds. The first amendment authorizes the reissuance of $9,000,000 Series 2009A-1 Bond. The interest rate on the Series 2009A-1 Bonds shall be at a rate equal to 2.8 percent per annum. The second, third, and fourth amendments authorized the reissuance of separate series of the Series 2009A Bonds in a principal amount of $8,400,000 (Series 2009A-2), $8,400,000 (Series 2009A-3) and $4,200,000 (Series 2009A-4), respectively. The interest rates on these Series 2009A bonds shall be at a rate equal to the sum of 63.7 percent of the three-month LIBOR plus 1.40 percent.

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, 2020, was $25,820,000.

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 $2,781,859 and is included in restricted investments.

Prior to the December 2016 reissuance, the Finance Corporation was required to maintain minimum deposits of $1,000,000 with a bank. As part of the amendment on December 21, 2016, the Finance Corporation agreed to use approximately $1,000,000 currently on deposit with the Trustee to pay in full the outstanding balance of the Series 2009B Bonds.

The interest rate on these bonds is both fixed and variable and is subject to a swap agreement 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.

The aggregate maturities of these bonds as of June 30, 2020, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2021	$ 1,505,000	$ 1,131,936	$ 2,636,936
2022	1,580,000	1,066,013	2,646,013
2023	1,645,000	996,845	2,641,845
2024	1,730,000	927,363	2,657,363
2025	1,825,000	849,284	2,674,284
2026-2029	8,125,000	2,567,888	10,692,888
2030-2032	9,410,000	945,112	10,355,112
Total	$ 25,820,000	$ 8,484,441	$ 34,304,441

12. DERIVATIVE FINANCIAL INSTRUMENTS – DISCRETELY PRESENTED COMPONENT UNITS

The Finance Corporation entered into derivative instruments (i.e., interest rate swap agreement) 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. The interest rate swap agreement entered into by the Finance Corporation is discussed below.

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 Series 2009A bonds. This represents the fixed portion of the tax-exempt bonds payable mentioned above. Under the interest rate swap agreement, the Finance 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, 2020, the Finance Corporation interest rate swap agreement has a derivative liability of $4,286,554 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. It was classified in Level 2 of the fair value hierarchy at June 30, 2020.

As of June 30, 2020, the fair value of the Series 2007A ineffective interest rate swap agreement was $1,234,774, 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 nor in December 2016. The interest rate on the refunded Series 2009A bonds reflects a higher rate due to not terminating this interest rate swap agreement. Accordingly, the fair value of $1,234,774 of the ineffective Series 2007A interest rate swap agreement is being amortized over the remaining life of the refunded Series 2009A bonds.

The synthetic instrument method evaluates the effectiveness 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 $3,051,780.

Credit Risk. As of June 30, 2020, 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.

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 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 Ratings. As of June 30, 2020, the swap counterparty was rated in excess of the aforementioned requirements.

Swap Payments and Associated Debt. Using rates as of June 30, 2020, 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:

	Variable-Rate Bond			
Fiscal Year Ending June 30	**Principal**	**Interest**	**Interest Rate Swap, Net**	**Total**
2021	$ 1,040,000	$ 373,993	$ 532,677	$ 1,946,670
2022	1,090,000	352,246	501,702	1,943,948
2023	1,135,000	329,453	469,238	1,933,691
2024	1,185,000	305,719	437,465	1,928,184
2025	1,245,000	280,939	400,141	1,926,080
2026-2029	5,555,000	851,810	1,214,553	7,621,363
2030-2033	6,635,000	354,651	415,626	7,405,277
Total	$ 17,885,000	$ 2,848,811	$ 3,971,402	$ 24,705,213

Note: As rates vary, variable-rate bond interest payments and net swap payments will vary.

13. RETIREMENT PLANS DEFINED BENEFIT PENSION PLANS

General Information about the Florida Retirement System (FRS)

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 121, Florida Statutes, also provides for nonintegrated, optional retirement programs in lieu of the FRS to certain members of the Senior Management Service Class (SMSC) employed by the State and faculty and specified employees in the State university system. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the University are eligible to enroll as members of the State-administered 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 FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services Web site (www.dms.myflorida.com).

The University's FRS and HIS pension expense totaled $66,313,472 for the fiscal year ended June 30, 2020.

FRS Pension Plan

Plan Description. The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a DROP for eligible employees. The general classes of membership are as follows:

- *Regular Class* - Members of the FRS who do not qualify for membership in the other classes.
- *Senior Management Service Class* (SMSC) - Members in senior management level positions.
- *Special Risk Clas*s - Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

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 at 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 creditable service. Employees enrolled in the Plan may include up to four 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 retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost of living adjustments to eligible participants.

The 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-participating 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. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided. Benefits under the Plan are computed on the basis of age, and/or years of service, average final compensation, and credit service. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on retirement plan and/or the class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

The following table shows the percentage value for each year of service credit earned:

Class, Initial Enrollment, and Retirement Age/Years of Service	% Value
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
Senior Management Service Class	2.00
Special Risk Class	3.00

As provided in Section 121.101, Florida Statutes, if the member was initially enrolled in the Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three percent per year. If the member was initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2019-20 fiscal year were:

	Percent of Gross Salary	
Class	**Employee**	**Employer (1)**
Florida Retirement System, Regular	3.00	8.47
Florida Retirement System, Senior Management Service	3.00	25.41
Florida Retirement System, Special Risk	3.00	25.48
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes	0.00	14.60
Florida Retirement System, Reemployed Retiree	(2)	(2)

Notes: (1) Employer rates include 1.66 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the Investment Plan.
(2) Contribution rates are dependent upon retirement class in which reemployed.

The University's contributions to the Plan totaled $20,706,730 for the fiscal year ended June 30, 2020.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2020, the University reported a liability of $219,045,078 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The University's proportionate share of the net pension liability was based on the University's 2018-19 fiscal year contributions relative to the total 2018-19 fiscal year contributions of all participating members. At June 30, 2019, the University's proportionate share was 0.636045103 percent, which was an increase of 0.015435827 from its proportionate share measured as of June 30, 2018.

For the year ended June 30, 2020, the University recognized pension expense of $60,518,585. In addition, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences Between Expected and Actual Experience	$ 12,992,190	$ 135,937
Change of Assumptions	56,260,201	-
Net Difference Between Projected and Actual Earnings on FRS Plan Investments	-	12,118,717
Changes in Proportion and Differences Between University FRS Contributions and Proportionate Share of FRS Contributions	10,771,079	-
University FRS Contributions Subsequent to the Measurement Date	20,706,730	-
Total	$ 100,730,200	$ 12,254,654

The deferred outflows of resources related to pensions totaling $20,706,730, resulting from University contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount
2021	$ 24,783,838
2022	8,434,351
2023	16,821,537
2024	12,962,845
2025	3,843,169
Thereafter	923,076
Total	$ 67,768,816

Actuarial Assumptions. The total pension liability in the July 1, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Investment rate of return	6.90 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018. This is a change from the prior year mortality assumption which was based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2019, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption.

The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1 %	3.3 %	3.3 %	1.2 %
Fixed Income	18 %	4.1 %	4.1 %	3.5 %
Global Equity	54 %	8.0 %	6.8 %	16.5 %
Real Estate (Property)	10 %	6.7 %	6.1 %	11.7 %
Private Equity	11 %	11.2 %	8.4 %	25.8 %
Strategic Investments	6 %	5.9 %	5.7 %	6.7 %
Total	100 %			
Assumed Inflation - Mean			2.6 %	1.7 %

Note: (1) As outlined in the Plan's investment policy

Discount Rate. The discount rate used to measure the total pension liability was 6.90 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate used in the 2019 valuation was updated from 7.00 percent to 6.90 percent.

Sensitivity of the University's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following table presents the University's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.90 percent) or 1 percentage point higher (7.90 percent) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
University's Proportionate Share of the Net Pension Liability	$ 378,655,998	$ 219,045,078	$ 85,742,962

Pension Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

HIS Pension Plan

Plan Description. The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided. For the fiscal year ended June 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment of $5 for each year of creditable service completed at the time of retirement with a minimum HIS payment of $30 and a maximum HIS payment of $150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2020, the contribution rate was 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. The University contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The University's contributions to the HIS Plan totaled $3,013,138 for the fiscal year ended June 30, 2020.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2020, the University reported a liability of $58,182,613 for its proportionate share of the net pension liability. The current portion of the net pension liability is the University's proportionate share of benefit payments expected to be paid within one year, net of the University's proportionate share of the HIS Plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019, and update procedures were used to determine liabilities as of June 30, 2019. The University's proportionate share of the net pension liability was based on the University's 2018-19 fiscal year contributions relative to the total 2018-19 fiscal year contributions of all participating members. At June 30, 2019, the University's proportionate share was 0.519998365 percent, which was an increase of 0.018350842 from its proportionate share measured as of June 30, 2018.

For the fiscal year ended June 30, 2020, the University recognized pension expense of $5,794,887. In addition, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 706,693	$ 71,243
Change of Assumptions	6,736,997	4,755,372
Net Difference Between Projected and Actual Earnings on HIS Plan Investments	37,544	-
Changes in Proportion and Differences Between University HIS Contributions and Proportionate Share of HIS Contributions	4,452,308	-
University HIS Contributions Subsequent to the Measurement Date	3,013,138	-
Total	$ 14,946,680	$ 4,826,615

The deferred outflows of resources totaling $3,013,138 resulting from University contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount
2021	$ 2,463,764
2022	1,933,995
2023	1,215,173
2024	197,204
2025	526,737
Thereafter	770,054
Total	$ 7,106,927

Actuarial Assumptions. The total pension liability at July 1, 2019, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Municipal Bond Rate	3.50 percent

Mortality rates were based on the Generational RP-2000 with Projected Scale BB.

While an experience study had not been completed for the HIS Plan, the actuarial assumptions that determined the total pension liability for the HIS Plan were based on certain results of the most recent experience study for the FRS Plan.

Discount Rate. The discount rate used to measure the total pension liability was 3.50 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate used in the 2019 valuation was updated from 3.87 percent to 3.50 percent.

Sensitivity of the University's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the University's proportionate share of the net pension liability calculated using the discount rate of 3.50 percent, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.50 percent) or 1 percentage point higher (4.50 percent) than the current rate:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
University's Proportionate Share of the Net Pension Liability	$ 66,418,436	$ 58,182,613	$ 51,323,106

Pension Plan Fiduciary Net Position. Detailed information about the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Comprehensive Annual Financial Report.

14. RETIREMENT PLANS DEFINED CONTRIBUTION PENSION PLANS

FRS Investment Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

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 the Investment Plan. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Service retirement benefits are based upon the value of the member's account upon retirement. Benefit terms, including contribution requirements, are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contributions, that are based on salary and membership class (Regular Class, Senior Management Service Class, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of Investment Plan members.

Allocations to the Investment Plan member accounts during the 2019-20 fiscal year were as follows:

Class	Percent of Gross Compensation
Florida Retirement System, Regular	6.30
Florida Retirement System, Senior Management Service	7.67
Florida Retirement System, Special Risk Regular	14.00

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the FRS Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the University.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided in which the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The University’s Investment Plan pension expense totaled $4,441,709 for the fiscal year ended June 30, 2020.

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 5.14 percent of the participant’s salary to the participant’s account, 3.56 percent to cover the unfunded actuarial liability of the FRS pension plan, and 0.01 percent to cover administrative costs for a total of 8.71 percent, 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.

The University’s contributions to the Program totaled $22,710,656 and employee contributions totaled $13,522,063 for the 2019-20 fiscal year.

15. CONSTRUCTION COMMITMENTS

The University's major construction commitments at June 30, 2020, were as follows:

Project Description	Total Commitment	Completed to Date	Balance Committed
User Paid Construction Projects	$ 25,791,241	$ 18,424,734	$ 7,366,507
PG5 Emergency Operations Center Expansion	4,866,382	364,339	4,502,043
Subtotal	30,657,623	18,789,073	11,868,550
Projects with Balance Committed Under $3 Million	106,207,327	83,285,130	22,922,197
Total	$ 136,864,950	$ 102,074,203	$ 34,790,747

16. OPERATING LEASE COMMITMENTS - INCLUDES RELATED PARTY TRANSACTION WITH FOUNDATION

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 the Florida International University Foundation, Inc. related party transaction note following this note.

Future minimum lease commitments for noncancelable operating leases are as follows:

Fiscal Year Ending June 30	Amount
2021	$ 6,695,687
2022	5,724,525
2023	2,950,979
2024	2,233,572
2025	1,886,939
2026-2030	6,651,839
2031-2034	4,910,474
Total Minimum Payments Required	$ 31,054,015

17. 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 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 $1,793,101 for the year ended June 30, 2020.

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, 2020:

Fiscal Year Ending June 30	Amount
2021	$ 1,418,000
2022	1,418,000
Total Minimum Payments Required	$ 2,836,000

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:

Fiscal Year Ending June 30	Amount
2021	$ 1,304,083
2022	1,304,083
2023	1,304,083
2024	1,304,083
2025	1,304,083
2026-2029	5,216,333
2030-2033	5,107,660
Total Minimum Payments Required	$ 16,844,408

18. GIFT AGREEMENT - FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC. - RELATED PARTY TRANSACTION

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, at which time it can be renewed for an additional period of ten years.

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.

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 $3.3 million during the 2019-20 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 $0.3 million during the 2019-20 fiscal year for utilities, repairs, and maintenance expenses for buildings used by the Wolfsonian.

19. 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 2019-20 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 $68.5 million for named windstorm and flood through February 14, 2020, and decreased to $62.75 million starting February 15, 2020. For perils other than named windstorm and flood, losses in excess of $2 million per occurrence were commercially insured up to $225 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 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; $250,000 per occurrence of protection for the participants that are not subject to the provisions of Section 768.28, Florida Statutes; $250,000 per claim protection for participants who engage in approved community service or act as Good Samaritans; and student professional liability coverage not to exceed a per occurrence limit of $1,000,000 if such limits are required by an affiliated hospital or healthcare affiliate.

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 2018-19 and 2019-20 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, 2019	$ 198,964	$ 38,654	$ (24,417)	$ 213,201
June 30, 2020	213,201	35,285	(219,215)	29,271

20. 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:

Functional Classification	Amount
Instruction	$ 365,973,975
Research	158,197,626
Public Services	10,372,451
Academic Support	119,679,713
Student Services	75,885,666
Institutional Support	108,953,731
Operation and Maintenance of Plant	62,901,027
Scholarships, Fellowships, and Waivers	139,149,905
Depreciation	46,584,780
Auxiliary Enterprises	68,683,882
Total Operating Expenses	$ 1,156,382,756

21. 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	$ 25,898,960	$ 8,081,275
Capital Assets, Net	128,722,958	96,798,274
Other Noncurrent Assets	22,036	416,453
Total Assets	154,643,954	105,296,002
Liabilities		
Current Liabilities	5,215,428	3,363,249
Noncurrent Liabilities	74,002,910	51,574,341
Total Liabilities	79,218,338	54,937,590
Net Position		
Net Investment in Capital Assets	50,379,923	42,261,364
Restricted - Expendable	4,468	412,453
Unrestricted	25,041,225	7,684,595
Total Net Position	$ 75,425,616	$ 50,358,412

Condensed Statement of Revenues, Expenses, and Changes in Net Position

	Housing Facility Capital Improvement Debt	Parking Facility Capital Improvement Debt
Operating Revenues	$ 20,733,589	$ 13,685,473
Depreciation Expense	(3,846,799)	(2,956,308)
Other Operating Expenses	(11,635,831)	(8,738,616)
Operating Income	5,250,959	1,990,549
Nonoperating Revenues (Expenses):		
Nonoperating Revenue	3,546,778	264,449
Interest Expense	(2,992,016)	(2,233,850)
Other Nonoperating Expenses	-	(195,140)
Net Nonoperating Revenues (Expenses)	554,762	(2,164,541)
Income Before Transfers	5,805,721	(173,992)
Net Transfers	35,058	(163,666)
Capital Grants	-	1,504
Increase in Net Position	5,840,779	(336,154)
Net Position, Beginning of Year	69,584,837	50,694,566
Net Position, End of Year	$ 75,425,616	$ 50,358,412

Condensed Statement of Cash Flows

	Housing Facility Capital Improvement Debt	Parking Facility Capital Improvement Debt
Net Cash Provided (Used) by:		
Operating Activities	$ 9,153,049	$ 4,618,030
Noncapital Financing Activities	2,901,963	11,390
Capital and Related Financing Activities	(11,569,636)	(9,160,830)
Investing Activities	734,016	4,783,031
Net Increase in Cash and Cash Equivalents	1,219,392	251,621
Cash and Cash Equivalents, Beginning of Year	659,737	1,407,972
Cash and Cash Equivalents, End of Year	$ 1,879,129	$ 1,659,593

22. 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 component units' columns of the financial statements. The remaining three component units comprise one hundred 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:

Condensed Statement of Net Position
Direct-Support Organizations

	Florida International University Foundation, Inc.	FIU Athletics Finance Corporation	Florida International University Academic Health Center Health Care Network Faculty Group Practice, Inc.	Total
Assets				
Current Assets	$ 36,849,383	$ 3,699,026	$ 9,322,148	$ 49,870,557
Capital Assets, Net	15,499,057	25,550	90,411	15,615,018
Other Noncurrent Assets	294,028,722	18,322,184	-	312,350,906
Total Assets	346,377,162	22,046,760	9,412,559	377,836,481
Deferred Outflows of Resources	-	3,243,249	-	3,243,249
Liabilities				
Current Liabilities	5,105,974	1,774,539	2,139,809	9,020,322
Noncurrent Liabilities	11,274,396	29,453,795	6,697,216	47,425,407
Total Liabilities	16,380,370	31,228,334	8,837,025	56,445,729
Net Position				
Net Investment in Capital Assets	12,921,147	25,550	90,411	13,037,108
Restricted Nonexpendable	185,009,260	-	-	185,009,260
Restricted Expendable	115,065,140	-	-	115,065,140
Unrestricted	17,001,245	(5,963,875)	485,123	11,522,493
Total Net Position	$ 329,996,792	$ (5,938,325)	$ 575,534	$ 324,634,001

Condensed Statement of Revenues, Expenses, and Changes in Net Position Direct-Support Organizations

	Florida International University Foundation, Inc.	FIU Athletics Finance Corporation	Florida International University Academic Health Center Health Care Network Faculty Group Practice, Inc.	Total
Operating Revenues	$ 28,996,589	$ 4,251,968	$ 10,227,355	$ 43,475,912
Depreciation Expense	(747,787)	(21,900)	(60,864)	(830,551)
Operating Expenses	(36,106,677)	(2,246,279)	(5,389,750)	(43,742,706)
Operating (Loss) Income	(7,857,875)	1,983,789	4,776,741	(1,097,345)
Net Nonoperating Revenues (Expenses)				
Investment Income	8,230,007	47,899	-	8,277,906
Interest Expense	(84,231)	(1,083,492)	(147,753)	(1,315,476)
Other Nonoperating Revenues (Expenses)	5,861,341	(500,000)	(2,750,928)	2,610,413
Net Nonoperating Revenues (Expenses)	14,007,117	(1,535,593)	(2,898,681)	9,572,843
Increase in Net Position	6,149,242	448,196	1,878,060	8,475,498
Net Position, Beginning of Year	323,847,550	(6,386,521)	(1,302,526)	316,158,503
Net Position, End of Year	$ 329,996,792	$ (5,938,325)	$ 575,534	$ 324,634,001

23. CURRENT UNRESTRICTED FUNDS

The Southern Association of Colleges and Schools, which establishes the accreditation requirements for institutions of higher education, requires a disclosure of the financial position of unrestricted net position, exclusive of plant assets and plant-related debt, which represents the change in unrestricted net position. To meet this requirement, statements of net position and revenues, expenses, and changes in net position for the current unrestricted funds are presented as follows:

STATEMENT OF CURRENT UNRESTRICTED FUNDS NET POSITION

ASSETS		
Current Assets:		
Cash and Cash Equivalents	$	6,623,250
Investments		416,153,118
Accounts Receivable, Net		7,896,058
Due from Component Units		673,515
Inventories		455,396
Other Current Assets		878,512
Total Current Assets		432,679,849
Noncurrent Assets:		
Due from Component Units		7,549,457
Total Assets		440,229,306
DEFERRED OUTFLOWS OF RESOURCES		
Other Postemployment Benefits		113,649,616
Pensions		115,676,880
Total Deferred Outflows of Resources		229,326,496
LIABILITIES		
Current Liabilities:		
Accounts Payable		21,025,335
Construction Contracts Payable		1,100,171
Salaries and Wages Payable		17,446,514
Deposits Payable		2,563,755
Due to Component Units		536,637
Unearned Revenue		1,733,373
Long-Term Liabilities - Current Portion:		
Compensated Absences Payable		3,414,846
Other Postemployment Benefits Payable		5,346,458
Net Pension Liability		987,192
Total Current Liabilities		54,154,281
Noncurrent Liabilities:		
Compensated Absences Payable		44,695,129
Other Postemployment Benefits Payable		397,648,352
Unearned Revenue		1,968,804
Net Pension Liability		276,240,499
Total Noncurrent Liabilities		720,552,784
Total Liabilities		774,707,065
DEFERRED INFLOWS OF RESOURCES		
Other Postemployment Benefits		68,294,597
Pensions		17,081,269
Total Deferred Inflows of Resources		85,375,866
NET POSITION		
Unrestricted		(190,527,129)
TOTAL NET POSITION	$	(190,527,129)

STATEMENT OF CURRENT UNRESTRICTED FUNDS REVENUES, EXPENSES, AND CHANGES IN NET POSITION

REVENUES	
Operating Revenues:	
Student Tuition and Fees, Net of Scholarship Allowances of $11,904,705 (1)	$ 454,668,472
State and Local Grants and Contracts	139
Nongovernmental Grants and Contracts	288,152
Sales and Services of Educational Departments	798,628
Sales and Services of Auxiliary Enterprises	103,815,288
Other Operating Revenues	5,828,164
Total Operating Revenues	565,398,843
EXPENSES	
Operating Expenses:	
Compensation and Employee Benefits	662,572,157
Services and Supplies	139,196,723
Utilities and Communications	15,779,330
Scholarships, Fellowships, and Waivers	72,297,679
Total Operating Expenses	889,845,889
Operating Loss	(324,447,046)
NONOPERATING REVENUES (EXPENSES)	
State Noncapital Appropriations	320,873,267
Noncapital Grants, Contracts, and Gifts	2,471,174
Investment Income	15,076,116
Other Nonoperating Revenues	5,481,093
Other Nonoperating Expenses	(1,662,481)
Net Nonoperating Revenues	342,239,169
Income Before Other Revenues	17,792,123
Capital Grants, Contracts and Donations	1,500
Increase in Net Position Before Transfers	17,793,623
Net Transfers to Other Funds	(81,922,159)
Decrease in Net Position	(64,128,536)
Net Position, Beginning of Year	(126,398,593)
Net Position, End of Year	$ (190,527,129)

Note: (1) Student tuition and fees revenue is reported net of scholarship allowances on the statement of revenues, expenses, and changes in net position. Scholarship allowance is recorded based on the pro rata share of scholarship expense in the current unrestricted and restricted fund types. For the fiscal year ended June 30, 2020, $181,983,000 of the scholarship allowance is recorded in the restricted fund.

24. GOVERNMENTAL MERGER

On March 2, 2020, the University and Torrey Pines Institute for Molecular Studies, Inc. (Torrey Pines), a California nonprofit corporation, entered into an agreement in which the University acquired certain assets, including Sponsored Research Agreements, Assigned Agreements, the Ground Lease and Building, and personal property on the premises. The University did not assume any other assets or liabilities as Torrey Pines will wind down operations after the merger and the entity will cease to exist. The building acquired by the University from Torrey Pines as part of the transaction had a carrying value of $11,096,077 and a ground lease for land with the City of Port St. Lucie. When the ground lease terminates with the City of Port St. Lucie in 2026, title to the land will be transferred to the University. The acquisition value of the assets of Torrey Pines was $11,096,077 consisting of the building (at carrying value) and fully depreciated furniture and equipment. In exchange, the University hired certain employees, funded closing costs related to the transfer of the title for this building and placed a cash reserve of $250,000 in escrow (which funds will be returned to the University within a certain time frame if certain conditions for disbursement of the funds are not met). Based upon GASB Statement No. 69, *Government Combinations and Disposals of Government Operations,* the transaction qualifies as a merger due to the fact that significant consideration was not exchanged between the University and Torrey Pines. Accordingly, also based on GASB 69 guidance, because the consideration exchanged was not significant, the carrying value of the building has been reflected as an adjustment to beginning net position of $11,096,077.

25. COVID-19 UNCERTAINTIES

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", was classified as a global pandemic in March 2020. This pandemic resulted in Federal, State, and local governments enacting emergency measures such as travel bans, quarantine periods, and social distancing requirements to combat the spread of the virus. These measures caused a material disruption to businesses globally resulting in an economic slowdown. The Federal government reacted with significant monetary and fiscal interventions such as the Coronavirus Aid, Relief, and Economic Security (CARES) Act grants investments designed to stabilize economic conditions. At the request of the Florida Board of Governors, beginning March 2020, the University moved to a remote learning and work environment for the remainder of the academic year and returned in the Fall 2020 Semester with a mixture of in-person, remote, and online courses and a staggered campus repopulation plan for employees. As University operations were impacted by the various measures taken in response to COVID-19 circumstances, the known effects on financial operations that materialized during the year are mentioned in the MD&A, yet the duration of the pandemic, future economic impacts and continued effects on University operations remains uncertain. The University and its component units are continually monitoring the ongoing potential impacts of the COVID-19 pandemic on operations during the 2020-21 fiscal year and the future related effects of the pandemic on the financial position of the University. The extent to which the COVID-19 pandemic impacts University operations going forward will depend on numerous evolving factors which cannot be reliably predicted at this time.

26. SUBSEQUENT EVENTS

On December 15, 2020, the Florida Board of Governors, on behalf of the University, issued $71,800,000 of Florida International University Housing Dormitory Revenue Bonds, Series 2020A. The bond proceeds are to be used to finance the construction of a dormitory facility on the main campus of the University. The bonds will be repaid from the net revenues of the University's housing system. The new bonds will mature in annual increments starting on July 1, 2023, and ending on July 1, 2050. Interest payments are due semiannually on July 1st and January 1st beginning July 1, 2021.

FLORIDA INTERNATIONAL UNIVERSITY

OTHER REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE UNIVERSITY'S PROPORTIONATE SHARE OF THE TOTAL OTHER POSTEMPLOYMENT BENEFITS LIABILITY

	2019 (1)	2018 (1)	2017 (1)
University's Proportion of the Total Other Postemployment Benefits Liability	3.18 %	2.57 %	2.57 %
University's Proportionate Share of the Total Other Postemployment Benefits Liability	$ 402,994,810	$ 271,175,000	$ 277,334,000
University's Covered Payroll	$ 426,565,567	$ 402,854,082	$ 388,298,438
University's Proportionate Share of the Total Other Postemployment Benefits Liability as a Percentage of its Covered Payroll	94.47 %	67.31 %	71.42 %

(1) The amounts presented for each fiscal year were determined as of June 30.

Notes to Required Supplementary Information:

No assets are accumulated in a trust that meets the criteria in paragraph four of GASB Statement No. 75 to pay related benefits. The University's June 30, 2020, proportionate share of the total OPEB liability increased significantly from the prior fiscal year as a result of changes to assumptions as discussed below.

Changes in Assumptions. In 2020, amounts reported as changes of assumptions resulted from changes to the census data, a change to the discount rate, the excise tax that will come into effect in 2022, the use of actual claims information, an update in the trend rate, and an update to the mortality rate. Refer to Note 10 to the financial statements for further detail.

FLORIDA INTERNATIONAL UNIVERSITY

OTHER REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - FLORIDA RETIREMENT SYSTEM PENSION PLAN

	2019 (1)	2018 (1)	2017 (1)	2016 (1)	2015 (1)	2014 (1)	2013 (1)
University's Proportion of the FRS Net Pension Liability	0.64%	0.62%	0.58%	0.58%	0.57%	0.53%	0.38%
University's Proportionate Share of the FRS Net Pension Liability	$ 219,045,078	$ 186,930,731	$ 172,260,097	$ 145,845,435	$ 73,303,925	$ 32,080,257	$ 65,503,841
University's Covered Payroll (2)	$ 426,565,567	$ 402,854,082	$ 388,298,438	$ 370,763,486	$ 355,458,891	$ 332,597,433	$ 305,657,917
University's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered Payroll	51.35 %	46.40 %	44.36 %	39.34 %	20.62 %	9.65 %	21.43 %
FRS Plan Fiduciary Net Pension as a Percentage of the FRS Total Pension Liability	82.61 %	84.26 %	83.89 %	84.88 %	92.00 %	96.09 %	88.54 %

(1) The amounts presented for each fiscal year were determined as of June 30.

(2) Covered payroll includes defined benefit plan actives, investment plan members, State university system optional retirement program members, and members in DROP because total employer contributions are determined on a uniform basis (blended rate) as required by Part III of Chapter 121, Florida Statutes.

Notes to Required Supplementary Information:

Change of Assumptions. The long-term expected rate of return was decreased from 7.00 percent to 6.90 percent, and the active member mortality assumption was updated.

FLORIDA INTERNATIONAL UNIVERSITY
OTHER REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF UNIVERSITY CONTRIBUTIONS -
FLORIDA RETIREMENT SYSTEM PENSION PLAN

	2020 (1)	2019 (1)	2018 (1)	2017 (1)	2016 (1)	2015 (1)	2014 (1)
Contractually Required FRS Contribution	$ 20,706,730	$ 19,721,988	$ 17,686,866	$ 15,160,433	$ 14,085,792	$ 13,836,828	$ 11,516,793
FRS Contributions in Relation to the Contractually Required Contribution	(20,706,730)	(19,721,988)	(17,686,866)	(15,160,433)	(14,085,792)	(13,836,828)	(11,516,793)
FRS Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
University's Covered Payroll (2)	$ 441,956,666	$ 426,565,567	$ 402,854,082	$ 388,298,438	$ 370,763,486	$ 355,458,891	$ 332,597,433
FRS Contributions as a Percentage of Covered Payroll	4.69 %	4.62 %	4.39 %	3.90 %	3.80 %	3.89 %	3.46 %

(1) The amounts presented for each fiscal year were determined as of June 30.

(2) Covered payroll includes defined benefit plan actives, investment plan members, State university system optional retirement program members, and members in DROP because total employer contributions are determined on a uniform basis (blended rate) as required by Part III of Chapter 121, Florida Statutes.

Notes to Required Supplementary Information:

Change of Assumptions. The long-term expected rate of return was decreased from 7.00 percent to 6.90 percent, and the active member mortality assumption was updated.

FLORIDA INTERNATIONAL UNIVERSITY

OTHER REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - HEALTH INSURANCE SUBSIDY PENSION PLAN

	2019 (1)	2018 (1)	2017 (1)	2016 (1)	2015 (1)	2014 (1)	2013 (1)
University's Proportion of the HIS Net Pension Liability	0.52%	0.50%	0.49%	0.48%	0.47%	0.45%	0.42%
University's Proportionate Share of the HIS Net Pension Liability	$ 58,182,613	$ 53,094,937	$ 52,274,414	$ 56,235,698	$ 48,191,110	$ 42,007,145	$ 36,379,258
University's Covered Payroll (2)	$ 168,199,711	$ 156,730,885	$ 168,353,927	$ 147,667,524	$ 140,089,301	$ 130,882,051	$ 118,388,264
University's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered Payroll	34.59 %	33.88 %	31.05 %	38.08 %	34.40 %	32.10 %	30.73 %
HIS Plan Fiduciary Net Pension as a Percentage of the HIS Total Pension Liability	2.63 %	2.15 %	1.64 %	0.97 %	0.50 %	0.99 %	1.78 %

(1) The amounts presented for each fiscal year were determined as of June 30.

(2) Covered payroll includes defined benefit plan actives, investment plan members, and members in DROP.

Notes to Required Supplementary Information:

Change of Assumptions. The municipal rate used to determine total pension liability decreased from 3.87 percent to 3.50 percent.

FLORIDA INTERNATIONAL UNIVERSITY
OTHER REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF UNIVERSITY CONTRIBUTIONS - HEALTH INSURANCE SUBSIDY PENSION PLAN

	2020 (1)	2019 (1)	2018 (1)	2017 (1)	2016 (1)	2015 (1)	2014 (1)
Contractually Required HIS Contribution	$ 3,013,138	$ 2,887,500	$ 2,720,447	$ 2,587,349	$ 2,473,222	$ 1,806,322	$ 1,539,022
HIS Contributions in Relation to the Required HIS Contribution	(3,013,138)	(2,887,500)	(2,720,447)	(2,587,349)	(2,473,222)	(1,806,322)	(1,539,022)
HIS Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
University's Covered Payroll (2)	$ 178,126,318	$ 168,199,711	$ 156,730,885	$ 168,353,927	$ 147,667,524	$ 140,089,301	$ 130,882,051
HIS Contributions as a Percentage of Covered Payroll	1.69 %	1.72 %	1.74 %	1.54 %	1.67 %	1.29 %	1.18 %

(1) The amounts presented for each fiscal year were determined as of June 30.

(2) Covered payroll includes defined benefit plan actives, investment plan members, and members in DROP.

Notes to Required Supplementary Information:

Change of Assumptions. The municipal rate used to determine total pension liability decreased from 3.87 percent to 3.50 percent.

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 FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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, 2020, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated December 17, 2020, 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) as a basis for designing 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 from 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 financial statements. 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 this report is solely to describe the scope of our testing of internal control and compliance and the results 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 communication is not suitable for any other purpose.

Respectfully submitted,

Sherrill F. Norman

Sherrill F. Norman, CPA
Tallahassee, Florida
December 17, 2020
Audit Report No. 2021-085


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ANNUAL REPORT 2019-2020

Florida International University

Housing System

Financial Statements

For the Fiscal Years Ended
June 30, 2020 and June 30, 2019

Unaudited

Florida International University

Housing System

Table of Contents

Florida International University
Housing System
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, 2020, 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. 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, 2020, and June 30, 2019.

FINANCIAL HIGHLIGHTS

The Housing System's assets totaled $154.6 million at June 30, 2020. This amount is reported net of accumulated depreciation of $53.4 million. Total assets remained fairly consistent with an increase of $1.5 million or 1 percent as compared to the 2018-19 fiscal year.

Total liabilities were $79.2 million at June 30, 2020, compared to $83.5 million at June 30, 2019. The decrease of $4.3 million or 5.2 percent is attributed to $4.3 million principal payments made for capital improvement debt.

The Housing System's total net position of $75.4 million at the end of the year represents an increase of $5.8 million or 8.3 percent from the total beginning net position of $69.6 million. The total net position consisted primarily of $50.4 million of net investment in capital assets and $25 million unrestricted.

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, equals net position, which 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.

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)

	2020	2019
Assets		
Current Assets	$ 25.9	$ 24.9
Capital Assets, Net	128.7	128.2
Total Assets	154.6	153.1
Liabilities		
Current Liabilities	5.2	4.9
Noncurrent Liabilities	74.0	78.6
Total Liabilities	79.2	83.5
Net Position		
Net Investment in Capital Assets	50.4	45.4
Restricted	-	0.1
Unrestricted	25.0	24.1
Total Net Position	$ 75.4	$ 69.6

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.

Florida International University
Housing System
Management's Discussion and Analysis

The following summarizes the Housing System's activity for the 2019-20 and 2018-19 fiscal years:

Condensed Statements of Revenues, Expenses, and Changes in Net Position

For the Fiscal Years Ended June 30

(In Millions)

	2020	2019
Operating Revenues	$ 20.7	$ 31.1
Less, Operating Expenses	15.5	21.7
Operating Income	5.2	9.4
Net Nonoperating Revenues (Expenses)	0.6	(2.5)
Increase in Net Position	5.8	6.9
Net Position, Beginning of Year	69.6	62.7
Net Position, End of Year	$ 75.4	$ 69.6

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 2019-20 and 2018-19 fiscal years:

Operating Revenues
For the Fiscal Years Ended June 30
(In Millions)

	2020	2019
Housing System Rental and Other Fees	$ 20.7	$ 31.1

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 $20.7 million for the fiscal year 2019-20, which was a significant decrease from fiscal year 2018-19. Operating revenues decreased by $10.4 million mainly driven by a reduction of $4.7 million from a change in accounting for the meal plans resulting from a change in meal plan providers, as these revenues are no longer recorded through housing operations. This change in meal plan providers also resulted in a proportionate decrease in service and supplies expense. Additionally, contributing to the revenue decrease were measures taken in response to the COVID-19 pandemic including dormitories being vacated with limited student occupancy, refunds of housing fees issued to students, and closures of dormitories during the Summer terms. The University used $2.9 million of Coronavirus Aid, Relief, and Economic Security (CARES) Act institutional funding received from the Federal Government for student housing refunds. These CARES Act funds are classified as other nonoperating revenues, and are therefore not included in operating revenues. The remaining decrease in revenues was from various rental and other fees since operations were curtailed by the pandemic.

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 2019-20 and 2018-19 fiscal years:

Operating Expenses

For the Fiscal Years Ended June 30

(In Millions)

	2020	2019
Compensation and Employee Benefits	$ 5.8	$ 5.6
Services and Supplies	4.0	10.1
Utilities and Communications	1.9	2.2
Depreciation	3.8	3.8
Total Operating Expenses	$ 15.5	$ 21.7

Operating expenses totaled $15.5 million, representing a significant decrease of $6.2 million from the 2018-19 fiscal year. Decreases in both services and supplies and utilities and communications are primarily the result of the transition to online learning and remote work platform due to COVID-19. Operating expenses include depreciation expense of $3.8 million.

Nonoperating Revenues and Expenses

Nonoperating revenues and expenses reported during fiscal year 2019-20 consist of investment income, other nonoperating revenues and interest expense. The significant increase of $2.9 million in other nonoperating revenues is due to the recognition of CARES Act institutional funding to reimburse the Housing System for housing fee refunds issued to students in response to the COVD-19 pandemic. As noted in the operating revenue section CARES Act revenue used for reimbursements is required to be reported as nonoperating revenue. The remaining fluctuation in nonoperating revenues and expenses is mainly attributable to interest on asset related debt and investment income which are fairly consistent with fiscal year 2018-19.

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 provided 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 2019-20 and 2018-19 fiscal years:

Condensed Statements of Cash Flows
For the Fiscal Years Ended June 30
(In Millions)

	2020	2019
Cash Provided (Used) by:		
Operating Activities	$ 9.2	$ 13.5
Noncapital Financing Activities	2.9	-
Capital and Related Financing Activities	(11.6)	(15.1)
Investing Activities	0.7	0.3
Net Increase (Decrease) in Cash and Cash Equivalents	1.2	(1.3)
Cash and Cash Equivalents, Beginning of Year	0.7	2.0
Cash and Cash Equivalents, End of Year	$ 1.9	$ 0.7

Major sources of funds came from Housing System operations ($20.7 million). Major uses of funds were payments to suppliers ($5.9 million) and advances from other funds representing CARES Act institutional funding from the Federal Government ($2.9 million), payments made to and on behalf of employees ($5.8 million), payments for principal on capital improvement debt payable ($4.3 million), purchases of capital assets ($4.2 million), and payments for interest on capital improvement debt payable ($3.1 million).

Capital Assets

At June 30, 2020 the Housing System had $182.1 million in capital assets, less accumulated depreciation of $53.4 million, for net capital assets of $128.7 million. Depreciation charges for the current fiscal year totaled $3.8 million.

Capital Assets, Net at June 30

(In Millions)

	2020	2019
Construction in Progress	14.1	15.5
Buildings	114.3	112.4
Furniture and Equipment	0.3	0.3
Capital Assets, Net	$ 128.7	$ 128.2

Debt Administration

As of June 30, 2020 the Housing System had $78.3 million in outstanding capital improvement debt payable.

The following table summarizes the outstanding long-term debt by type at June 30:

Long-Term Debt, at June 30

(In Millions)

	2020	2019
Capital Improvement Debt Payable	$ 78.3	$ 82.8

The Housing System is committed to improving student life on campus by increasing housing facilities and upgrading existing facilities to meet student needs.

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.

Florida International University
Housing System
Statements of Net Position (Unaudited)
June 30, 2020 and 2019

	2020	2019
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 1,879,129	$ 659,737
Investments	23,634,812	23,729,621
Accounts Receivable, Net	385,019	497,093
Total Current Assets	25,898,960	24,886,451
Noncurrent Assets:		
Restricted Investments	22,036	16,428
Furniture and Equipment	1,066,873	1,402,071
Buildings	166,953,971	161,185,281
Construction in Progress	14,095,173	15,516,975
Accumulated Depreciation	(53,393,060)	(49,922,469)
Total Noncurrent Assets	128,744,993	128,198,286
Total Assets	154,643,953	153,084,737
LIABILITIES		
Current Liabilities:		
Accounts Payable	137,803	216,809
Construction Contracts Payable	246,580	50,411
Salaries and Wages Payable	194,022	228,322
Long-Term Liabilities - Current Portion		
Capital Improvement Debt Payable	4,615,948	4,420,948
Compensated Absences Payable	21,074	17,776
Total Current Liabilities	5,215,427	4,934,266
Noncurrent Liabilities:		
Capital Improvement Debt Payable	73,727,087	78,343,035
Compensated Absences Payable	275,823	222,599
Total Noncurrent Liabilities	74,002,910	78,565,634
Total Liabilities	79,218,337	83,499,900
NET POSITION		
Net Investment in Capital Assets	50,379,923	45,417,875
Restricted for Expendable		
Debt Service	4,468	16,428
Unrestricted	25,041,225	24,150,534
TOTAL NET POSITION	$ 75,425,616	$ 69,584,837

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, 2020 and 2019

	2020	2019
REVENUES		
Operating Revenues:		
Housing System Rental and Other Fees	$ 20,733,589	$ 31,056,234
Total Operating Revenues	20,733,589	31,056,234
EXPENSES		
Operating Expenses:		
Compensation and Employee Benefits	5,804,918	5,557,848
Services and Supplies	3,917,334	10,113,800
Utilities and Communications	1,913,579	2,230,268
Depreciation	3,846,799	3,785,575
Total Operating Expenses	15,482,630	21,687,491
Operating Income	5,250,959	9,368,743
NONOPERATING REVENUES (EXPENSES)		
Investment Income	644,815	672,046
Other Nonoperating Revenues	2,901,963	33,561
Interest on Capital Asset-Related Debt	(2,992,016)	(3,173,016)
Net Nonoperating Revenues (Expenses)	554,762	(2,467,409)
Income Before Transfers	5,805,721	6,901,334
Transfers In	35,058	-
Increase in Net Position	5,840,779	6,901,334
Net Position, Beginning of Year	69,584,837	62,683,503
Net Position, End of Year	$ 75,425,616	$ 69,584,837

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, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Sales and Services of Housing System	$ 20,733,589	$ 31,056,234
Changes in Other Accounts Receivable	112,074	166,062
Payments to Employees	(5,782,696)	(5,497,463)
Payments to Suppliers for Goods and Services	(5,909,918)	(12,230,882)
Net Cash Provided by Operating Activities	9,153,049	13,493,951
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Advances from Other Funds	2,901,963	33,561
Net Cash Provided by Noncapital Financing Activities	2,901,963	33,561
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase or Construction of Capital Assets	(4,156,673)	(7,693,091)
Principal Paid on Capital Debt	(4,275,000)	(4,100,000)
Interest Paid on Capital Debt	(3,137,963)	(3,318,963)
Net Cash Used by Capital and Related Financing Activities	(11,569,636)	(15,112,054)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Change in Investments	89,201	(373,618)
Investment Income	644,815	672,046
Net Cash Provided by Investing Activities	734,016	298,428
Net Increase (Decrease) in Cash and Cash Equivalents	1,219,392	(1,286,114)
Cash and Cash Equivalents, Beginning of Year	659,737	1,945,851
Cash and Cash Equivalents, End of Year	$ 1,879,129	$ 659,737
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	$ 5,250,959	$ 9,368,743
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation Expense	3,846,799	3,785,575
Change in Assets and Liabilities		
Accounts Receivable, Net	112,074	166,062
Accounts Payable	(79,005)	113,186
Accrued Salaries and Wages	(34,300)	28,151
Accrued Compensated Absences Current & Noncurrent	56,522	32,234
Net Cash Provided by Operating Activities	$ 9,153,049	$ 13,493,951

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:
  - Statements of Net Position
  - Statements of Revenues, Expenses, and Changes in Net Position
  - Statements 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, 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 $100,000 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 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.

2. INVESTMENTS

Investments for the Housing System are reported at the market value of $23,656,848 and $23,746,049 at June 30, 2020 and 2019, respectively.

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 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 debt service payments, maintain sinking or reserve funds, or to purchase or construct capital assets are classified as restricted.

The Housing System's investments as of June 30, 2020 consist of money market funds reported at amortized cost totaling $23,652,380 and $23,729,621 at June 30, 2020 and 2019, respectively, and SBA Debt Service Accounts totaling $4,468 and $16,428 at June 30, 2020 and 2019, respectively, reported as a Level 1 input at fair value according to GASB 72.

State Board of Administration Debt Service Accounts

The Housing System reported investments totaling $4,468 and $16,428 at June 30, 2020 and 2019, respectively, 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 Housing System. The Housing System's investments consist of United States Treasury securities, with maturity dates of six months or less, and are reported at fair value. The Housing System relies on policies developed by 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.

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 $839,079 and $1,007,000 at June 30, 2020 and 2019, 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 $454,060 and $509,907, at June 30, 2020 and 2019, respectively.

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020, is shown below:

Description	Beginning Balance	Additions	Reductions	Ending Balance
Nondepreciable Capital Assets:				
Construction in Progress	$ 15,516,975	$ 4,396,605	$ 5,818,407	$ 14,095,173
Depreciable Capital Assets:				
Buildings	$ 161,185,281	$ 5,768,690	$ -	$ 166,953,971
Furniture and Equipment	1,402,071	41,010	376,208	1,066,873
Total Depreciable Capital Assets	162,587,352	5,809,700	376,208	168,020,844
Less, Accumulated Depreciation:				
Buildings	48,851,452	3,786,575	-	52,638,027
Furniture and Equipment	1,071,017	60,224	376,208	755,033
Total Accumulated Depreciation	49,922,469	3,846,799	376,208	53,393,060
Total Depreciable Capital Assets, Net	$ 112,664,883	$ 1,962,901	$ -	$ 114,627,784

5. LONG-TERM LIABILITIES

Long-term liabilities of the Housing System at June 30, 2020, 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 $104,970,000 from the 2011A, 2012A and 2015A capital improvement debt payable series amounting to $22,210,000, $53,655,000 and $29,105,000, respectively. The purpose of this capital improvement 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, 2020:

Capital Improvement Debt Type and Series	Amount of Original Debt	Amount Outstanding (1)	Interest Rates (Percent)	Maturity Date To
2011A Student Apartments Refunding	$ 22,210,000	$ 9,630,220	3.00 - 3.50	2025
2012A Student Apartments	53,655,000	46,125,894	3.00 - 4.25	2041
2015A Student Apartments Refunding	29,105,000	22,586,921	3.00 - 5.00	2034
Total	$ 104,970,000	$ 78,343,035		

Note: (1) Amount outstanding includes unamortized premiums and deferred losses on refunding issues.

The Housing System has pledged a portion of future housing rental revenues to repay $104,970,000 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 Housing System 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 $107,379,391, and principal and interest paid for the current year totaled $7,412,963. Housing rental income totaled $20,733,589 and $31,056,234 for fiscal years June 30, 2020 and 2019, respectively.

5. LONG-TERM LIABILITIES (Continued)

Annual requirements to amortize all capital improvement debt outstanding as of June 30, 2020, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2021	$ 4,470,000	$ 2,948,913	$ 7,418,913
2022	4,635,000	2,789,913	7,424,913
2023	4,785,000	2,625,563	7,410,563
2024	4,950,000	2,465,738	7,415,738
2025	5,215,000	2,267,618	7,482,618
2026-2030	20,685,000	8,607,468	29,292,468
2031-2035	17,345,000	5,048,375	22,393,375
2036-2040	12,150,000	2,166,106	14,316,106
2041	2,745,000	116,662	2,861,662
Subtotal	76,980,000	29,036,356	106,016,356
Plus: Net Premiums and Losses on Bond Refundings	1,363,035	-	1,363,035
Total	$ 78,343,035	$ 29,036,356	$ 107,379,391

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 $296,897 and $240,375 at June 30, 2020 and 2019, 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 leave liability.

6. RISKS AND UNCERTAINTIES - COVID 19

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", was classified as a global pandemic in March 2020. This pandemic resulted in governments enacting emergency measures such as travel bans, quarantine periods, and social distancing requirements to combat the spread of the virus. These measures caused a material disruption to businesses globally resulting in an economic slowdown. The Federal Government reacted with significant monetary and fiscal interventions such as the CARES grants, investments designed to stabilize economic conditions. At the request of the Board of Governors, beginning March 2020, the University moved to a remote learning and work environment for the remainder of the academic year and returned in the Fall 2020 semester with a mixture of in-person and online courses and staggered campus repopulation plan for employees. Housing operations were impacted as social distancing measures resulted dormitories being vacated leading to limited student occupancy, refunds of housing fees issued to students, and closures of dormitories during the Summer terms. The duration of the pandemic and economic impacts are uncertain at this time, and may potentially impact future Housing System operations.

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered by the Board of Governors of the State of Florida (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 $46,365,000 State of Florida, Board of Governors, Florida International University Dormitory Revenue Refunding Bonds, Series 2021A (the "Bonds"). This Disclosure Agreement is being executed and delivered pursuant to the section 5.03 of the resolution adopted by the Governor and Cabinet, as the Governing Board of the Division, on December 15, 2020, authorizing the issuance 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 on September 23, 1998, August 10, 2004, September 20, 2011, and March 20, 2012, 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.

"Financial Obligation" shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) a guarantee of (a) or (b). The term financial obligation does not include municipal securities as to which a final official statement has been otherwise provided to the Municipal Securities Rulemaking Board (the "MSRB") under the Rule.

"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) <u>Information To Be Provided</u>. 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 agree 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) <u>Financial Information and Operating Data</u>. For fiscal years ending on June 30, 2021 and thereafter, annual financial information and operating data shall be provided within nine months after the end of the University'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) <u>Audited Financial Statements</u>. 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.
(o) incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
(p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(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) Method 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's 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 to update such information or include it in any such future submission.

Dated this 15th day of April, 2021.

FLORIDA BOARD OF GOVERNORS

By____________________________________
Chair

DIVISION OF BOND FINANCE

By____________________________________
Assistant Secretary

FLORIDA INTERNATIONAL UNIVERSITY

By____________________________________
President

[Form of Opinion of Bryant Miller Olive P.A. to be delivered with the delivery of the Bonds]

April 15, 2021

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:

$46,365,000
STATE OF FLORIDA
BOARD OF GOVERNORS
FLORIDA INTERNATIONAL UNIVERSITY
DORMITORY REVENUE REFUNDING BONDS
SERIES 2021A
Dated April 15, 2021
(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 certain of the outstanding State of Florida, Board of Governors, Florida International University Dormitory Revenue Refunding Bonds, Series 2011A and Dormitory Revenue Bonds, Series 2012A (collectively, 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 Bonds and any Additional Bonds (each 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 December 15, 2020 (collectively, the "Resolution") and a resolution of the Board adopted on March 25, 2020.

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. 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.

We have not been engaged to and, therefore, express no opinion as to compliance by the Division of Bond Finance or the underwriter or underwriters with any federal or state statute, regulation or ruling with respect to the sale and distribution of the Bonds or regarding the perfection or priority of the lien on the Pledged Revenues created by the Resolution.

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 the Official Statement or any other offering material relating to the Bonds and we express no opinion herein relating thereto.

Respectfully submitted,

BRYANT MILLER OLIVE P.A.

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 OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA (THE "DIVISION") BELIEVES TO BE RELIABLE; HOWEVER, THE DIVISION TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the State of Florida, Board of Governors, Florida International University Dormitory Revenue Refunding Bonds, Series 2021A (the "2021A Bonds"). The 2021A 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 2021A 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 a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission.

Purchases of the 2021A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2021A Bonds on DTC's records. The ownership interest of each actual purchaser of each 2021A 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 2021A 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 2021A Bonds, except in the event that use of the book-entry system is discontinued.

To facilitate subsequent transfers, all 2021A 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 2021A 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 2021A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2021A 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 2021A Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the 2021A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2021A Bond documents. For example, Beneficial Owners of 2021A Bonds may wish to ascertain that the nominee holding the 2021A 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 2021A 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 2021A 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 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 2021A 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 2021A 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, or the Board of Governors (the "Board"), 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 2021A Bonds at any time by giving reasonable notice to the Division or Bond Registrar/Paying Agent and discharging its responsibilities with respect thereto under applicable law. The Division may decide to discontinue use of the system of book-entry transfers for the 2021A 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 2021A Bonds will be printed and delivered as provided in the documents authorizing the issuance and sale of the 2021A Bonds.

For every transfer and exchange of beneficial interests in the 2021A 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 2021A Bonds, references herein to the Registered Owners or Holders of the 2021A Bonds shall mean Cede & Co. and not mean the Beneficial Owners of the 2021A Bonds unless the context requires otherwise.

The Division, 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 2021A 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 2021A 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 2021A Bonds, or the purchase price of, any 2021A 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 2021A Bonds for partial redemption.

So long as the 2021A Bonds are held in book-entry only form, the Division, 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 2021A Bonds for all purposes whatsoever, including, without limitation:

(i) the payment of the principal of, premium, if any, and interest on the 2021A Bonds;

(ii) giving notices of redemption and other matters with respect to the 2021A Bonds;

(iii) registering transfers with respect to the 2021A Bonds; and

(iv) the selection of the beneficial ownership interests in the 2021A 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, the Board of Governors and the Bond Registrar/Paying Agent may treat the Registered Owner of any 2021A Bond as the absolute owner for all purposes, whether or not such 2021A Bond is overdue, and will not be bound by any notice to the contrary.

Principal of and premium, if any, on the 2021A Bonds will be payable upon presentation and surrender of the 2021A 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 2021A 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 2021A Bond to the Bond Registrar/Paying Agent together with a written instrument of transfer (if so required) satisfactory in form to the Division 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 2021A 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 2021A Bond of authorized denomination of the same maturity for the aggregate principal amount which the Registered Owner is entitled to receive.

Neither the Division 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 2021A Bonds. However, the Division 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 2021A Bond is delivered.

The Bond Registrar/Paying Agent will not be required to issue, transfer or exchange any 2021A Bonds on the Record Date.

MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: $__________ in aggregate principal amount of [NAME OF TRANSACTION] [and maturing on]

Effective Date: _________

Risk Premium: $__________
Member Surplus Contribution: $ _________
Total Insurance Payment: $_________

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: ______________________________________
Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
200 Liberty Street, 27th floor
New York, New York 10281
Telecopy:
212-962-1524 (attention: Claims)

FLORIDA

ENDORSEMENT TO

MUNICIPAL BOND INSURANCE POLICY

NO.

This Policy is not covered by the Florida Insurance Guaranty Association created under Part II of Chapter 631 of the Florida Insurance Code.

Nothing herein shall be construed to waive, alter, reduce or amend coverage in any other section of the Policy. If found contrary to the Policy language, the terms of this Endorsement supersede the Policy language

IN WITNESS WHEREOF, BUILDAMERICA MUTUAL ASSURANCE COMPANY has caused this policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By

____

Authorized Officer