State of Florida
Division of Bond Finance

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Copies of the printed Official Statement may be obtained from:

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

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

New and Refunding Issue Book-Entry Only
This Official Statement has been prepared by the Division of Bond Finance to provide information about the 2013A 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.

$48,365,000
STATE OF FLORIDA
Board of Governors
Florida International University
Parking Facility Revenue Bonds, Series 2013A

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

Bond Ratings	A+ Fitch Ratings Aa3 Moody's Investors Service AA- Standard & Poor's Ratings Services
Tax Status:	In the opinion of Bond Counsel, interest on the 2013A Bonds will be excluded from gross income for federal income tax purposes and will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. However, interest on the 2013A Bonds will be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations. The 2013A Bonds and the income thereon are not subject to taxation under the laws of the State of Florida, except estate taxes and taxes under Chapter 220, Florida Statutes, as amended. See "TAX MATTERS" herein for a description of other tax consequences to holders of the 2013A Bonds.
Redemption	The 2013A Bonds are subject to optional and mandatory redemption as provided herein. See "REDEMPTION PROVISIONS" herein for more complete information.
Security	The 2013A Bonds will be secured by and payable from the Pledged Revenues. The Pledged Revenues consist of the Parking System Revenues after deducting the Administrative Expenses, the Current Expenses and the Rebate Amount, if any. **The 2013A Bonds are not secured by the full faith and credit of the State of Florida or the University.**
Lien Priority	The lien of the 2013A Bonds on the Pledged Revenues is a first lien on such revenues and will be on a parity with the lien on the Outstanding Bonds and any Additional Parity Bonds. The aggregate principal amount of Bonds which will be Outstanding subsequent to the issuance of the 2013A Bonds will be $77,985,000, excluding the Refunded Bonds and the 1995 Bonds, which will be defeased prior to closing on the 2013A Bonds.
Additional Bonds	Additional Parity Bonds payable on a parity with the 2013A Bonds and the Outstanding Bonds may be issued if the average Pledged Revenues for the two immediately preceding fiscal years, as adjusted, are at least 120% of the Maximum Annual Debt Service. This description of the requirements for the issuance of Additional Parity Bonds is only a summary of the complete requirements. See "SECURITY FOR THE 2013A BONDS - Additional Parity Bonds" herein for more complete information.
Purpose	Proceeds will be used to pay the costs of the 2013A Project, to refund all of the Outstanding State of Florida, Board of Regents, Florida International University Parking Facility Revenue Bonds, Series 1999, and the Outstanding State of Florida, Florida Board of Education, Florida International University Parking Facility Revenue Bonds, Series 2002, and to pay costs of issuance.
Interest Payment Dates	January 1 and July 1, commencing January 1, 2014.
Record Dates	December 15 and June 15.
Form/Denomination	The 2013A 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 2013A Bonds will not receive physical delivery of the 2013A Bonds. See "DESCRIPTION OF THE 2013A BONDS."
Closing/Settlement	It is anticipated that the 2013A Bonds will be available for delivery through the facilities of DTC in New York, New York on September 26, 2013.
Bond Registrar/ Paying Agent	U.S. Bank Trust National Association, New York, New York.
Bond Counsel	Bryant Miller Olive P.A., Tallahassee, Florida.
Issuer Contact	Division of Bond Finance, (850) 488-4782, bond@sbafla.com
Maturity Structure	The 2013A Bonds will mature on the dates and bear interest at the rates set forth on the inside front cover.

August 22, 2013

MATURITY STRUCTURE

Initial CUSIP©	Due Date	Principal Amount	Interest Rate	Price or Yield*	First Optional Redemption Date and Price
		Serial Bonds			
3 4 1 5 7 P B G 8	July 1, 2014	$1,950,000	5.00%	0.50%	-
3 4 1 5 7 P B H 6	July 1, 2015	2,155,000	5.00	0.85	-
3 4 1 5 7 P B J 2	July 1, 2016	2,265,000	5.00	1.25	-
3 4 1 5 7 P B K 9	July 1, 2017	2,375,000	5.00	1.65	-
3 4 1 5 7 P B L 7	July 1, 2018	2,500,000	5.00	2.15	-
3 4 1 5 7 P B M 5	July 1, 2019	2,620,000	5.00	2.55	-
3 4 1 5 7 P B N 3	July 1, 2020	2,170,000	5.00	2.90	-
3 4 1 5 7 P B P 8	July 1, 2021	2,275,000	3.00	3.21	-
3 4 1 5 7 P B Q 6	July 1, 2022	2,350,000	5.00	3.45	-
3 4 1 5 7 P B R 4	July 1, 2023	820,000	3.50	3.60	-
3 4 1 5 7 P B S 2	July 1, 2024**	850,000	4.00	3.85	July 1, 2023 @ 100%
3 4 1 5 7 P B T 0	July 1, 2025	880,000	4.00	4.09	July 1, 2023 @ 100
3 4 1 5 7 P B U 7	July 1, 2026	915,000	4.00	4.26	July 1, 2023 @ 100
3 4 1 5 7 P B V 5	July 1, 2027	955,000	4.25	4.43	July 1, 2023 @ 100
3 4 1 5 7 P B W 3	July 1, 2028	995,000	4.375	4.55	July 1, 2023 @ 100
3 4 1 5 7 P B X 1	July 1, 2029	1,035,000	4.50	4.67	July 1, 2023 @ 100
3 4 1 5 7 9 B Y 9	July 1, 2030**	1,085,000	5.25	4.75	July 1, 2023 @ 100
3 4 1 5 7 9 B Z 6	July 1, 2031**	1,140,000	5.25	4.83	July 1, 2023 @ 100
		Term Bonds			
3 4 1 5 7 P C B 8	July 1, 2033	$2,460,000	4.75%	4.95%	July 1, 2023 @ 100%
3 4 1 5 7 P C D 4	July 1, 2035	2,705,000	5.00	5.06	July 1, 2023 @ 100
3 4 1 5 7 P C G 7	July 1, 2038	4,575,000	5.00	5.15	July 1, 2023 @ 100
3 4 1 5 7 9 C M 4	July 1, 2043	9,290,000	5.00	@ 97.00	July 1, 2023 @ 100

* Price and yield information provided by the underwriter.
** The yield on these maturities is calculated to a 100% call on July 1, 2023.

The State of Florida has not authorized any dealer, broker, salesman or other person to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied on. Certain information herein has been obtained from sources other than records of the State of Florida which are believed to be reliable but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the State of Florida. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the State of Florida since the date hereof. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor will there be any sale of the 2013A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

STATE OFFICIALS

BOARD OF GOVERNORS

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VICE CHAIR
MORTEZA HOSSEINI

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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
$48,365,000
STATE OF FLORIDA
Board of Governors
Florida International University Parking Facility Revenue Bonds, Series 2013A

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 $48,365,000 State of Florida, Board of Governors, Florida International University Parking Facility Revenue Bonds, Series 2013A, dated the date of delivery (the "2013A Bonds"), by the Division of Bond Finance of the State Board of Administration of Florida (the "Division of Bond Finance").

The proceeds of the 2013A Bonds will be used to finance a portion of the cost of constructing a parking facility (the "2013A Project") on the main campus of Florida International University (the "University"), to refund all of the Outstanding State of Florida, Board of Regents, Florida International University Parking Facility Revenue Bonds, Series 1999, and the Outstanding State of Florida, Florida Board of Education, Florida International University Parking Facility Revenue Bonds, Series 2002, and to pay costs of issuance. The refunding is being effectuated to achieve debt service savings due to lower interest rates. See "PURPOSE OF THE ISSUE" below for more detailed information.

The 2013A Bonds will be secured by and payable from the Pledged Revenues. The Pledged Revenues consist of the revenues of the Parking System after payment of the Administrative Expenses, the Current Expenses, and the Rebate Amount, if any. See "SECURITY FOR THE 2013A BONDS" herein for more detailed information.

The lien of the 2013A Bonds on the Pledged Revenues is a first lien on such revenues and will be on a parity with the lien on the Outstanding Bonds and any Additional Parity Bonds hereafter issued. The aggregate principal amount of Bonds which will be Outstanding subsequent to the issuance of the 2013A Bonds is $77,985,000, excluding the Refunded Bonds and the 1995 Bonds, which will be defeased prior to closing on the 2013A Bonds. See "SECURITY FOR THE 2013A BONDS" below for more detailed information.

The 2013A Bonds are not a general obligation or indebtedness of the State of Florida or the University, and the full faith and credit of the State of Florida is not pledged to payment of the 2013A Bonds.

Requests for additional information may be made to:

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

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Any statements made in this Official Statement which involve opinions or estimates, whether or not expressly stated, are set forth as such and not as representations of fact. No representation is made that any of the opinions or estimates will be realized. To make an informed decision, a full review should be made of the entire Official Statement. The descriptions of the 2013A Bonds and the documents authorizing and securing the same do not purport to be comprehensive or definitive. All references to and descriptions of such documents are qualified by reference to the actual documents. Copies of such documents may be obtained from the Division of Bond Finance.

End of Introduction

AUTHORITY FOR THE ISSUANCE OF THE 2013A BONDS

General Legal Authority

The 2013A Bonds are being issued by the Division of Bond Finance on behalf of the Board of Governors (the "Board"), pursuant to Article VII, Section 11(d) and Article IX, Section 7(d) of the Florida Constitution, the State Bond Act, Section 1010.62, Florida Statutes, and other applicable provisions of law. Article VII, Section 11(d), of the Florida Constitution provides that revenue bonds payable solely from funds derived directly from sources other than State tax revenues may be issued by the State of Florida or its agencies, without a vote of the electors, to finance or refinance capital projects. Section 215.59(2), Florida Statutes, authorizes the issuance of revenue bonds by the Division of Bond Finance pursuant to Article VII, Section 11(d), of the Florida Constitution. The Legislature has authorized the Division of Bond Finance to issue refunding bonds on behalf of any State agency in Section 215.79, Florida Statutes.

Division of Bond Finance

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

State Board of Administration of Florida

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

Board of Governors

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

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

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

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

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

Pam Stewart - Interim Commissioner of Education (Tallahassee, FL)
Manoj Chopra - President, Advisory Council of Faculty Senates (Orlando, FL)
Carlo Fassi - Chairman, Florida Student Association (Jacksonville, FL)

University Board of Trustees

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

Administrative Approval

By a resolution adopted on March 6, 2013, the Florida International University Board of Trustees requested the Board of Governors to request the issuance of the 2013A Bonds by the Division of Bond Finance. By a resolution adopted on March 28, 2013, the Board of Governors requested the Division of Bond Finance proceed with the preparation of proceedings required for the issuance of the 2013A Bonds.

By resolutions adopted on April 23, 2013 (the "Fourth Supplemental Resolution" and the "Fifth Supplemental Resolution"), which supplement a resolution adopted on February 28, 1995 (the "Original Resolution"), as amended by resolutions adopted on June 12, 2002 (the "Second Supplemental Resolution"), on September 10, 2002 (the "2002 Sale Resolution") and on September 15, 2009 (the "Third Supplemental Resolution"), the Governor and Cabinet of the State of Florida, as the Governing Board of the Division of Bond Finance, authorized the issuance and sale of the 2013A Bonds. The Original Resolution, the Second Supplemental Resolution, the 2002 Sale Resolution, the Third Supplemental Resolution, the Fourth Supplemental Resolution and the Fifth Supplemental Resolution are reproduced as Appendices B, C, D, E, F and G to this Official Statement. The Original Resolution, as amended and supplemented through the Fifth Supplemental Resolution, is referred to as the "Resolution."

The Board of Administration approved the fiscal sufficiency of the 2013A Bonds, as required by the State Bond Act, on April 23, 2013.

DESCRIPTION OF THE 2013A BONDS

The 2013A Bonds are being issued as fully registered bonds in the denomination of $1,000 or integral multiples thereof. The 2013A Bonds are payable from the Pledged Revenues as described herein. The 2013A Bonds will be dated the date of delivery thereof, and will mature as set forth on the inside front cover. Interest is payable semiannually on January 1 and July 1 of each year, commencing January 1, 2014, until maturity or redemption.

The 2013A Bonds will initially be issued exclusively in "book-entry" form. Ownership of one 2013A 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 2013A Bonds. Individual purchases of the 2013A Bonds will be made in book-entry form only, and the purchasers will not receive physical delivery of the 2013A Bonds or any certificate representing their beneficial ownership interest in the 2013A Bonds. See Appendix M, "Provisions for Book-Entry Only System or Registered Bonds" for a description of DTC, certain responsibilities of DTC, the Board and the Bond Registrar/Paying Agent, and the provisions for registration and registration of transfer of the 2013A Bonds if the book-entry only system of registration is discontinued.

REDEMPTION PROVISIONS

Optional Redemption

The 2013A Bonds maturing in the years 2014 through 2023, both inclusive, are not redeemable prior to their stated dates of maturity. The 2013A Bonds maturing in 2024 and thereafter (including the Term Bonds) are redeemable prior to their stated date of maturity, without premium, at the option of the Division of Bond Finance, (i) in part, by maturities and/or Amortization Installments to be selected by the Division of Bond Finance, and by lot within a maturity and/or Amortization Installment if less than the entire maturity and/or Amortization Installment is to be redeemed, or (ii) as a whole, on July 1, 2023, or on any date thereafter, at the principal amount of the 2013A Bonds so redeemed, together with interest accrued to the date of redemption.

Mandatory Redemption

The 2013A Bonds maturing on July 1, 2033 (the "2033 Term Bonds"), are subject to mandatory redemption in part, by lot, on July 1, 2032, and on July 1, 2033, at the principal amount of the 2033 Term Bonds to be redeemed, without premium, plus accrued interest, from Amortization Installments in the years and amounts as follows:

Year	Principal Amount	Year	Principal Amount
2032	$1,200,000	2033	$1,260,000

The 2013A Bonds maturing on July 1, 2035 (the "2035 Term Bonds"), are subject to mandatory redemption in part, by lot, on July 1, 2034, and on July 1, 2035, at the principal amount of the 2035 Term Bonds to be redeemed, without premium, plus accrued interest, from Amortization Installments in the years and amounts as follows:

Year	Principal Amount	Year	Principal Amount
2034	$1,320,000	2035	$1,385,000

The 2013A Bonds maturing on July 1, 2038 (the "2038 Term Bonds"), are subject to mandatory redemption in part, by lot, on July 1, 2036, and on each July 1 thereafter to and including July 1, 2038, at the principal amount of the 2038 Term Bonds to be redeemed, without premium, plus accrued interest, from Amortization Installments in the years and amounts as follows:

Year	Principal Amount	Year	Principal Amount
2036	$1,450,000	2038	$1,600,000
2037	1,525,000		

The 2013A Bonds maturing on July 1, 2043 (the "2043 Term Bonds"), are subject to mandatory redemption in part, by lot, on July 1, 2039, and on each July 1 thereafter to and including July 1, 2043, at the principal amount of the 2043 Term Bonds to be redeemed, without premium, plus accrued interest, from Amortization Installments in the years and amounts as follows:

Year	Principal Amount	Year	Principal Amount
2039	$1,680,000	2042	$1,945,000
2040	1,765,000	2043	2,045,000
2041	1,855,000		

Notice of Redemption

Notices of redemption of 2013A 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 2013A Bonds to be redeemed, if less than all, the date fixed for redemption, and the redemption price. In lieu of mailing, the Bond Registrar/Paying Agent may elect to provide such notice of redemption by electronic means to any Registered Owner who has consented to such method of receiving notice.

Failure to give, or any defect in, any required notice of redemption as to any particular 2013A Bonds will not affect the validity of the call for redemption of any 2013A Bonds in respect of which no such failure has occurred. Any notice mailed as provided in the Resolution will be conclusively presumed to have been given, whether or not the Registered Owner receives the notice.

Interest on the 2013A Bonds called for redemption will cease to accrue upon the redemption date.

PURPOSE OF THE ISSUE

New Money Portion

The proceeds derived from the sale of the New Money Portion of the 2013A Bonds will be used to finance a portion of the cost of the 2013A Project and to pay the costs of issuing the 2013A Bonds.

The 2013A Project

The 2013A Project consists of the construction of a multi-level parking garage (Garage Six) containing approximately 2,000 parking spaces and various other pedestrian and shuttle stop infrastructure improvements. The proposed project will be located on the main campus of Florida International University on the site of an existing surface parking lot, taking approximately 225 parking spaces out of service. The 2013A Project will increase the total number of structured parking spaces to 8,800 and 17,000 total university parking spaces. The project will also include approximately 35,000 gross square feet of unfinished shell space, which will be available for retail and food services or additional administrative services offices. The 2013A Project is consistent with the University's Campus Master Plan and is expected to cost approximately $42.6 million. The primary use of the garage will be as an unattended parking area for permitted students, faculty and staff and visitors.

Construction of the 2013A Project will be coordinated by a general contractor, which was selected in accordance with the applicable State University System requirements, which includes: public advertisement; review of credentials; references and qualifications; confirmation of bonding capabilities; compliance with minority participation guidelines; and a presentation interview.

The construction budget was developed by Pierce Goodwin Alexander & Linville ("PGAL") in conjunction with the University Department of Facilities Management and was completed in December 2012. A project budget of $42,576,562 was prepared including construction costs ($35,407,356), professional fees ($1,790,368), surveys, testing, inspections, telecommunications and other ($3,258,838) and contingencies ($2,120,000). The 2013A Project will be funded from bond proceeds and a contribution of approximately $9.6 million from currently available funds from the Parking System and other

University auxiliary funds. A project schedule has been developed with the construction of the 2013A Project scheduled to commence in November 2013 and to be completed in January 2015.

The architect for the 2013A Project is required to carry a $5,000,000 blanket professional liability insurance policy and must provide proof of insurance within 10 calendar days after the effective date of the agreement. The general contractor will be required to furnish a Payment and Performance Bond and Certificate of Insurance in accordance with Section 255.05, Florida Statutes, and the Board of Governors Office of Facilities Planning requirements. The Payment and Performance Bond would provide for liquidated damages per contract if the project were delayed. Oversight of the 2013A Project will be conducted by the architect's project manager, the architect's engineering consultants, the general contractor and the University's professional construction staff.

Principal participants for construction of the 2013A Project include:

Board of Governors:	Office of Finance and Facilities
Florida International University:	Board of Trustees
	Department of Facilities Management
Architect:	PGAL
Construction Manager:	Facchina Construction of Florida, LLC
Mechanical/Electrical Engineer:	Ross & Baruzzini
Civil Engineer:	Miller Legg
Structural Engineer:	Walter P. Moore & Associates, Inc.
Landscape Architect:	Curtis & Rogers Design Studio Inc.
Traffic Consultant:	Miller Legg

In addition to compliance with all applicable codes and standards, permits are required from the Division of State Fire Marshal. There are no known environmental risks present at the site.

Refunding Portion

The proceeds from the sale of the Refunding Portion of the 2013A Bonds, together with other legally available moneys, will be used to pay the costs of issuance of the 2013A Bonds, and to refund the Outstanding State of Florida, Board of Regents, Florida International University Parking Facility Revenue Bonds, Series 1999, maturing in the years 2014 through 2019, inclusive, in the outstanding principal amount of $3,175,000 (the "Refunded 1999 Bonds"), and the Outstanding State of Florida, Florida Board of Education, Florida International University Parking Facility Revenue Bonds, Series 2002, maturing in the years 2014 through 2022, inclusive, in the outstanding principal amount of $12,730,000 (the "Refunded 2002 Bonds") (the Refunded 1999 Bonds and the Refunded 2002 Bonds are collectively the "Refunded Bonds"). This refunding is being effectuated to achieve debt service savings.

Simultaneously with the delivery of the 2013A Bonds, the Division of Bond Finance will cause to be deposited a portion of the proceeds of the 2013A Bonds, along with other legally available moneys, in an irrevocable escrow account (the "Escrow Deposit Trust Fund"), under an agreement (the "Escrow Deposit Agreement") entered into between the Division of Bond Finance and the Board of Administration (the "Escrow Agent"). The Escrow Agent will hold those moneys uninvested. The escrow will be funded in an amount which will be sufficient to meet the redemption requirements of the Refunded Bonds.

The Refunded Bonds will be called for redemption (by separate redemption notice) on September 27, 2013 at a redemption price equal to the principal amount thereof with interest due thereon through the redemption date. No funds held in escrow will be available to pay debt service on the 2013A Bonds.

Sources and Uses of Funds

Sources of Funds:	
Par Amount of 2013A Bonds	$48,365,000
University Cash Contribution	9,632,446
Estimated Construction Fund Investment Earnings[1]	90,734
Original Issue Premium	1,461,542
Sinking Fund Transfer	178,348
Total Sources	$59,728,070
Uses of Funds:	
Cost of the 2013A Project	$42,576,560
Deposit to the Escrow Deposit Trust Fund	16,075,420
Underwriter's Discount	932,990
Cost of Issuance	143,100
Total Uses	$59,728,070

[1] Interest is estimated at 0.5% annually over the construction period.

2013A Project Construction Fund

The Resolution provides for the creation of, and deposit of the net proceeds of the New Money Portion of the 2013A Bonds into, the 2013A Project Construction Fund (the "2013A Project Construction Fund"), a trust fund in the State Treasury to be used only for the payment of the costs of construction of the 2013A Project on the campus of Florida International University. The Registered Owners of the 2013A Bonds will have a lien on all the proceeds deposited in the 2013A Project Construction Fund until such moneys are applied as provided in the Resolution. See "MISCELLANEOUS - Investment of Funds" below for policies governing the investment of the 2013A Project Construction Fund. Withdrawals from the 2013A Project Construction Fund are made as provided by law.

Funds remaining in the 2013A Project Construction Fund after completion of the 2013A Project will be deposited into the Sinking Fund, to be used for the purposes thereof.

SECURITY FOR THE 2013A BONDS

Pledge of Parking System Revenues

The 2013A Bonds and the interest thereon constitute obligations of the Board on behalf of the University, and are payable solely from a first lien pledge of the Pledged Revenues on a parity with the Outstanding Bonds and any Additional Parity Bonds. The aggregate principal amount of Bonds which will be Outstanding subsequent to the issuance of the 2013A Bonds is $77,985,000, excluding the Refunded Bonds and the 1995 Bonds, which will be defeased prior to closing on the 2013A Bonds. The Pledged Revenues are derived from the parking and student transportation access fee and the operation of the Parking System. The Parking System consists of the University's existing parking facilities at all the University's campuses, the 2013A Project, and such additional parking facilities as may be added to the Parking System at some future date, all as more fully described in "PARKING SYSTEM" herein. The Pledged Revenues are the Parking System revenues remaining after deducting the Administrative Expenses, the Current Expenses and the Rebate Amount, if any, plus investment earnings thereon. The Pledged Revenues and the related debt service coverage ratios are set forth under "PARKING SYSTEM - Historical Pledged Revenues and Debt Service Coverage" and "PARKING SYSTEM - Projected Pledged Revenues and Debt Service Coverage" herein.

The 2013A 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 2013A Bonds do not constitute a general obligation or indebtedness of the State of Florida or any of its agencies or political**

subdivisions and shall not be a debt of the State of Florida or of any agency or political subdivision thereof, the Board of Governors, or the University, and the full faith and credit of the State is not pledged to the payment of the principal of, premium, if any, or interest on the 2013A Bonds. The issuance of the 2013A 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 2013A Bonds.

Reserve Account

The Original Resolution creates the Reserve Account within the Sinking Fund, which is to be used for payments of debt service when the amounts in the Sinking Fund are insufficient therefor. Separate subaccounts in the Reserve Account may be established for one or more Series of Bonds. Each subaccount will be available only to cure deficiencies in the accounts in the Sinking Fund with respect to the Series of Bonds for which it is established. As permitted in the Resolution, in lieu of required deposits into the Reserve Account, the Board may at any time fund one or more subaccounts in the Reserve Account with one or more Reserve Account Credit Facilities for the benefit of the Bonds secured by such subaccount in an amount which, together with the funds on deposit therein, equals the Reserve Requirement for such subaccount.

Currently, the 1995 Bonds are secured by the 1995 Debt Service Reserve Subaccount, funded by a reserve account surety bond in the amount of $655,037.50 issued by Financial Security Assurance, Inc., and succeeded by Assured Guaranty Municipal Corp. which will terminate when the 1995 Bonds are no longer Outstanding (prior to delivery of the 2013A Bonds). The 1999 Bonds and the 2002 Bonds are secured by the 1999 Debt Service Reserve Subaccount, funded by a reserve account surety bond in the amount of $639,658.75 issued by MBIA Insurance Corporation as succeeded by National Public Finance ("MBIA") which serves as security for future Additional Parity Bonds, including a portion of the 2013A Bonds, and which will terminate on July 1, 2019, and a reserve account surety bond in the amount of $1,739,661 issued by MBIA which serves as security for future Additional Parity Bonds, including a portion of the 2013A Bonds, and which will terminate on July 1, 2022. See "MISCELLANEOUS - Bond Ratings" below for a discussion of potential and actual rating agency actions with respect to MBIA.

The Resolution authorizing the sale of the New Money Portion and the Fifth Supplemental Resolution provide that the Reserve Account for the 2013A Bonds may be funded in an amount determined by the Director, which amount may be zero. The Reserve Requirement for the 2013A Bonds has been determined to be zero. No deposit will be made to a subaccount in the Reserve Account from the proceeds of the 2013A Bonds. However, the 2013A Bonds will be secured by the $2,379,320 surety bonds from MBIA under the terms of such bonds until such time as the surety bonds terminate or are otherwise cancelled.

In the event funds on deposit in the Sinking Fund are not sufficient to pay the principal and/or interest next coming due on the Bonds, then on or before the Interest Payment Date and the Principal Payment Date such amounts as may be necessary to pay such maturing principal and/or interest on the Bonds will be transferred to the Sinking Fund from the Reserve Account. Each Reserve Account Credit Facility in a subaccount will be drawn upon in a proportion equal to its relative share of the amounts in the Reserve Account Subaccount. 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 Pledged Revenues available after all required current payments for the Sinking Fund, including any deficiencies for prior payments, have been made in full.

Flow of Funds

Collection of Pledged Revenues. Pledged Revenues are deposited in a trust fund (the "Revenue Fund") in an approved bank to be administered in accordance with the Resolution and applicable laws. After providing for the payments required below, the University may use the proceeds of 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 Parking System;

(B) Transfer to the Board of Administration no later than 30 days before an Interest Payment Date and/or a Principal Payment Date to be used as follows:

(1) for payment of the 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 the maintenance and establishment, if necessary, together with other moneys available for such purposes, of the Reserve Account, or subaccounts therein, in the Sinking Fund in an amount equal to the Reserve Requirement.

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

(C) Deposit into the Parking System Maintenance and Equipment Reserve Fund of the amounts required by the Resolution.

See "MISCELLANEOUS - Investment of Funds" herein for policies governing the investment of various funds.

Covenants of the Board of Governors

The Board has additionally covenanted in the Resolution as follows:

(A) That it will punctually pay 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 Parking System Revenues and other available funds the amounts sufficient to pay 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 to the rentals, fees and other charges which will produce Parking System Revenues sufficient to pay, when due, the amounts required under the Resolution.

(D) That it will continue to collect the Parking System Revenues at the rates which are in effect at any particular time.

Additional Parity Bonds

The Resolution provides that Additional Parity Bonds, may be issued, but only upon the following terms, restrictions and conditions: (A) the proceeds from such Additional Parity Bonds will be used to acquire and construct capital additions or improvements to the Parking System; (B) all previously authorized bonds will have been issued and delivered, or authority for the unused portion will have been canceled; (C) the Board must authorize the issuance of the Additional Parity Bonds; (D) the Board of Administration must approve the fiscal sufficiency of such Additional Parity Bonds; (E) certificates will be executed by the Board setting forth (1) the average amount of Pledged Revenues from the two fiscal years immediately preceding the issuance of the proposed Additional Parity Bonds, and (2) the Maximum Annual Debt Service on the bonds then outstanding and the Additional Parity Bonds then proposed to be issued; (F) the Board 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 must be currently in compliance with the covenants and provisions of the Resolution and any supplemental resolution thereafter adopted for the issuance of Additional Parity Bonds, unless upon the issuance of such Additional Parity Bonds the Board will be brought into compliance with all such covenants and provisions; and (G) the average amount of Pledged Revenues for the two immediately preceding fiscal years, as adjusted as provided for in the Resolution, will be at least equal to 120% of the Maximum Annual Debt Service on the bonds then outstanding, and the Additional Parity Bonds then proposed to be issued. 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 2013A Bonds.

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

The Resolution provides that for purposes of the Additional Parity Bond test, Pledged Revenues may be adjusted to reflect actual and projected rate increases, additions to existing parking facilities or the acquisition of additional parking facilities.

All of the above terms, conditions and restrictions having been complied with, the 2013A Bonds will be issued on a parity with the Outstanding Bonds.

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PARKING SYSTEM
(Source: Florida International University)

Introduction

Florida International University (the "University") operates from two major campus locations. The Modesto A. Maidique Campus ("MMC") is the main campus located on 342 acres in southwest Miami-Date County with a student population of more than 36,000 and is formerly known as the University Park Campus. The Biscayne Bay Campus ("BBC") is located in North Miami on 200 acres of land with a student population of more than 7,000. The main Parking System office located at MMC houses the administration and coordinates revenue collections for all locations. The University also operates an Engineering Campus near MMC and satellite campuses in Downtown Miami, Broward County and Miami Beach. Further information regarding the University is provided in Appendix H.

The Parking System is a self-supporting auxiliary operation which does not receive any state appropriations and is administered by the University's Department of Parking and Transportation. The Parking System's Executive Director of Parking oversees the day-to-day operations. Any expansions or enhancements to the Parking System must be paid from revenues generated by the parking and transportation activity on the campuses. Parking System revenues are derived primarily from student, faculty and staff decal sales, a student parking and transportation access fee, and parking citation fines.

All non-visitor motor vehicles which are parked on either MMC or BBC must be registered with the Department of Parking and Transportation. Registered vehicles are restricted to specific parking areas depending on the type of parking decal issued. There are metered parking spaces on MMC and BBC for visitor parking and meters must be paid whether or not a vehicle has a decal. Hours of enforcement are 7:00 A.M. to 10:00 P.M., seven days a week. Vehicles displaying a disabled placard are exempt from meter charges.

The Parking System staff is also responsible for the University's vehicle maintenance function and the operation of the shuttle services. The vehicle service function provides on-campus, routine minor vehicle maintenance such as oil changes and tire changes on a break-even basis to administrative and program areas. Additionally, the University provides campus shuttle services to its students. The University has a contract with Horizon Coach, a private company, to provide bus service between MMC and BBC (a 30 mile one-way trip). This system is referred to as the Golden Panther Express and operates five days a week for 15 hours each day. The University provides internal shuttle services within the MMC (Panther Mover) and from MMC to the Engineering Center (CATs). The revenues from vehicle and the shuttle services are not included in Pledged Revenues of the Parking System. Likewise, the expenditures incurred for vehicle maintenance and the shuttle services are not included in current expenditures in calculating Pledged Revenues. Both services are part of the Parking System Financial Statements included as Appendix J herein.

Staffing

The Parking System encompasses two main department work groups. The first and largest is the Department of Parking and Transportation, which currently employs approximately 70 full-time and part-time staff. The staff, which includes students and non-students, is comprised of administrators, clerical staff and parking patrollers. The second office is the Department of Parking Maintenance, which has a staff of nine.

Parking Facilities

The Parking System currently provides 14,628 vehicle spaces, with 13,272 of those spaces available for general faculty, staff and student parking and 1,356 spaces available for reserved, handicapped, service vehicle, loading and visitor parking spaces. The University has 7,794 paved surface parking spaces and 6,834 spaces in five multi-level parking garages. The parking garages are all located on MMC. There are 11,437 parking spaces on MMC and 2,442 on BBC.

Capital Projects Plan

Following construction of the 2013A Project, the University has no plans within the next five years for additional capital projects.

Capital Maintenance Plan

In Fiscal Year 1998-99, the Parking System made its first contribution of $78,789 to the Parking System Maintenance and Equipment Reserve Fund, established by the Original Authorizing Resolution, to be used by the Board of Governors or the University 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 Parking System. As of June 30, 2012, the balance in this fund was $2,241,486. The amount required to be deposited by the University into this fund is determined annually by the Board of Governors as part of the development of the annual budget of the University. The University will continue to deposit a percentage of the annual Parking System revenues into this sub-account each year.

Projected Capital Improvement Expenditures
Next Five Years

	Fiscal Years Ending June 30,				
	2013	**2014**	**2015**	**2016**	**2017**
Capital Outlay	$259,300	$53,040	$54,100	$55,200	$86,287

Insurance on Facilities

All University facilities, and the contents thereof, are insured under the Florida Fire Insurance Trust Fund as required by Chapter 284, Florida Statutes. The 2013A Project will also be insured in this manner. Prior to acceptance by the University, and throughout the duration of construction, the Board of Governors requires that the contractor insure the 2013A Project, including materials, equipment, vehicles and personnel. The architect for the 2013A Project is required to carry a $5,000,000 blanket professional liability insurance policy and must provide proof of insurance within 10 calendar days after the Effective Date of the agreement. The general contractor will be required to furnish a Payment and Performance Bond and Certificate of Insurance in accordance with Section 255.05, Florida Statutes and the Board of Governors Office of Facilities Planning requirements. The Payment and Performance Bond would provide for liquidated damages per contract if the project were delayed.

Parking Needs Assessment

Convenient and accessible parking is vital to the longevity of a University which is dependent on its commuting student population. Most indications are that the University will remain a highly commuter-oriented University. Therefore, it will have a high reliance on the use of personal vehicles as a primary mode of conveyance to the University, which translates into a very high parking demand.

Due to the location of MMC in urban Miami, the availability of off-campus parking is non-existent for University students, faculty, staff and visitors. The University is surrounded by residential communities, shopping centers, recreational facilities and a segment of Florida’s Turnpike System. Unauthorized vehicles are subject to towing if parked at these locations.

The University’s Parking System currently serves a daytime campus population of over 50,000 students, faculty and staff members and has a total of 14,628 parking spaces. In addition, there is an undeterminable number of visitor, delivery, service and emergency vehicle that require parking spaces each day.

Presently, the ratio of university-wide spaces available to student transportation access fee collected (“TAF”) is 1 space for every 3.8 TAF and 1 space for every 1.5 faculty and staff decals sold. The ratio of MMC spaces available to TAF collected is 1 to 4.9 and 1 to 1.8 faculty and staff decals sold. Unmet parking demands are expected to increase gradually in conjunction with growth in students, faculty and staff. Following construction of the 2013A Project, the total number of spaces will increase to approximately 17,000, with approximately 8,800 structured parking spaces.

Parking System Revenues

The revenues of the University's Parking System are derived from five sources. The largest source is the mandatory student parking and transportation access fee which was implemented in Fall 1998. All students are required to pay the parking and transportation access fee as a part of registration for classes with the exception of distance learning students. This fee entitles students to an annual parking decal to be affixed to their vehicle which permits them to park at any of the University campuses.

A second source of revenue to the Parking System is decal sales. Faculty and staff members are required to purchase parking decals and register their vehicles if they wish to park on campus. The combination of parking and transportation access fees and decal sales account for a large portion of total Parking System Operating Revenues. Variables that most heavily influence these revenues are employment and enrollment levels as well as decal price and fee increases.

The Parking System has several revenue sources other than parking and transportation access fees and parking decal sales. These include revenue collected from visitors through parking meters and paid parking at garages, parking fines, interest income and immobilization fees. The "pay by space" machines provide parking for visitors as an alternative to using the parking meters.

Current Expenses

The current expenses of the Parking System include costs associated with utilities, salaries, maintenance, supplies, cashiering, on-site security and other normal expenses incident to the operation of the Parking System.

Rates and Charges

The University has direct control over the parking rates. Vehicle parking decal and transportation access fee revenues can be adjusted annually to provide the necessary funds to pay the cost of operation and maintenance of the Parking System and provide funds to meet any debt service obligations. To support the Governor's initiative to keep costs of higher education low for Florida families, the University reduced expenses to eliminate future increases to the transportation access fee for the next six years. This commitment to not increase the transportation access fee would not prevent the University from raising the fee if required to maintain existing bond ratings or to comply with bond covenants. See "SECURITY FOR THE 2013A BONDS - Covenants of the Board of Governors".

The following table sets forth the parking rates for various types of parking decals, the number of decals issued and information regarding student parking and transportation access fees assessed during the past five Fiscal Years.

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Number of Parking Decals Issued
Annual Parking Decal Costs by Type[1]
and Student Parking and Transportation Access Fee Assessments

Parking Decal Type	Fiscal Years Ended June 30, 2008	2009	2010	2011	2012
Executive Permits					
Number of Decals	26	32	35	39	54
Decal Costs	$812	$842	$842	$884	$884
Administrative					
Number of Decals	414	414	449	511	557
Decal Costs	$367	$387	$387	$406	$406
Faculty and Staff 25K<					
Number of Decals	835	743	919	995	1,102
Decal Costs	$110	$115	$115	$121	$121
Faculty and Staff 25K-35K					
Number of Decals	448	454	461	499	567
Decal Costs	$124	$134	$134	$141	$141
Faculty and Staff 35K-45K					
Number of Decals	474	408	461	474	576
Decal Costs	$186	$196	$196	$206	$206
Faculty and Staff 45K+					
Number of Decals	1,261	1,294	1,240	1,254	1,416
Decal Costs	$210	$220	$220	$231	$231

Student Parking and Transportation Access Fee	2008	2009	2010	2011	2012
Number of Students-Fall	35,835	36,282	36,813	37,808	39,556
Number of Students-Spring	34,627	34,089	35,848	36,796	37,902
Number of Students-Summer	24,800	24,234	26,412	26,301	25,346
Fall/Spring Fee	$67.00	$77.00	$77.00	$81.00	$81.00
Summer Fee	$61.00	$71.00	$71.00	$75.00	$75.00

[1] Decal costs shown do not include (but are subject to) State sales tax. This table includes all major decal types. The University sells various other minor categories of decals such as vendor and temporary decals. These other categories account for less than two percent of Parking System Revenues.

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The following table shows the projected number of parking decals to be issued, parking decal prices and student parking and transportation access fees to be assessed for Fiscal Years 2013 through 2017. **These projections are for illustrative purposes only and the University can give no assurance that actual results will equal those set forth below.**

Projected Number of Parking Decals Issued
Parking Decal Costs by Type[1]
and Student Parking and Transportation Access Fee Assessments

	Fiscal Years Ending June 30,				
Parking Decal Type	**2013**	**2014**	**2015**	**2016**	**2017**
Executive Permits					
Number of Decals	56	58	60	62	65
Decal Costs	$972	$972	$1,021	$1,021	$1,072
Administrative					
Number of Decals	574	591	610	631	657
Decal Costs	$447	$447	$469	$469	$492
Faculty and Staff (<$25,000)					
Number of Decals	1,134	1,168	1,205	1,245	1,296
Decal Costs	$133	$133	$140	$140	$147
Faculty and Staff ($25,000-$35,000)					
Number of Decals	584	602	621	642	668
Decal Costs	$155	$155	$163	$163	$171
Faculty and Staff ($35,000-$45,000)					
Number of Decals	593	611	631	652	679
Decal Costs	$227	$227	$238	$238	$250
Faculty and Staff ($45,000+)					
Number of Decals	1,457	1,500	1,548	1,600	1,665
Decal Costs	$254	$254	$267	$267	$280

Student Parking and Transportation Access Fee	**2013**	**2014**	**2015**	**2016**	**2017**
Number of Students-Fall	38,734	40,384	40,788	41,196	41,607
Number of Students-Spring	39,807	38,380	38,764	39,152	39,543
Number of Students-Summer	26,721	26,721	26,988	27,258	27,530
Fall/Spring Fee	$89	$89	$89	$89	$89
Summer Fee	$83	$83	$83	$83	$83

[1] Decal costs shown do not include (but are subject to) State sales tax. This table includes all major decal types. The University sells various other minor categories of decals such as vendor and temporary decals. These other categories account for less than two percent of Parking System Revenues.

Collection and Enforcement

The University collects fees for parking decals on a continuous basis. Since the student parking and transportation access fee began, fees have been charged and paid at the same time as student tuition. Peak times for revenue collection are September in the Fall term, January in the Spring term, and May and July in the two Summer terms. The majority of the parking revenue is derived from students.

Parking fines are levied seven days a week on any vehicle parked on campus illegally or without the proper decal displayed. The University requires full payment unless an appeal is made to the Parking Violations Appeals Authority within ten days of the date of issuance of the citation. If a parking citation is not appealed within ten days from the date of issuance, the person becomes responsible for the fine and a $10.00 delinquent fee is added. At this time the charges are transferred into the University Central Accounts Receivable records. If the charges are not settled, further class registration is suspended and the student's records will not be released. Vehicles may be impounded for unpaid citations. After impoundment, these vehicles are held until all previously incurred fines are paid in full. Any unpaid fines are classified as a debt to the University and diplomas and transcripts of the student incurring the fine are withheld until all fines have been paid. Unpaid fines of faculty and staff members can be deducted from their paychecks.

Budgetary Information

The budgetary process for the University Parking System is implemented by the University and follows the guidelines issued by the Office of Financial Planning. These guidelines provide a standardized format setting forth prior fiscal year information by budget categories for all University departments. Based on a thorough review of the current fiscal year operations, revisions are made, if necessary, to the projected Parking System budget which is prepared as part of the decal price increase proposal. Various expenditure projections may be modified as updated information is available; however, revenue projections remain based on the approved decal price. Unlike other auxiliary enterprise operations, the budget for the Parking System is monitored and controlled by the University Office of Financial Planning. All planning and control of the revenues are done in this department through the Senior Vice President of Administration & Chief Financial Officer. Revenues are projected and an operating model is developed to furnish budgets to three main groups, Parking Administration, Parking Maintenance and Capital Projects.

Discussion of Budget

Presented below is a comparison of the budgeted versus actual financial performance of the University Parking System for Fiscal Years 2007-08 through 2011-12. This information has been prepared by the University on a cash basis for internal management purposes only and has not been audited. The Fiscal Year 2012-13 budget is also shown below.

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Comparison of Budget to Actual for Fiscal Years 2007-08 through 2011-12
and Budget for Fiscal Year 2012-13

(In Thousands of Dollars)

	FY 2007-08			FY 2008-09*			FY 2009-10			FY 2010-11			FY 2011-12			2013
	Budget	**Actual**	**+/(-)**	**Budget**	**Actual**	**+/(-)**	**Budget**	**Actual**	**+/(-)**	**Budget**	**Actual**	**+/(-)**	**Budget**	**Actual**	**+/(-)**	**Budget**
Revenue																
Decal sales, Parking Fees, Transportation Access Fee	$ 7,138	$ 7,178	$ 41	$ 7,963	$ 7,875	$ (88)	$ 8,350	$ 8,306	$ (44)	$ 9,202	$ 9,092	$ (110)	$ 9,678	$ 9,370	$ (308)	$ 10,398
Visitor Parking	330	351	21	335	351	16	390	510	120	470	700	230	748	846	98	1,098
Traffic Fines and Towing	734	763	30	658	1,054	396	892	1,198	306	1,069	1,091	22	981	990	8	1,024
Interest Income	353	147	(206)	219	65	(154)	83	12	(71)	25	10	(15)	13	3	(10)	2
Transfers In	-	-	-	-	25	25	-	25	25	25	25	-	-	-	-	-
Total Revenues	$ 8,555	$ 8,440	$ (115)	$ 9,175	$ 9,370	$ 195	$ 9,715	$ 10,051	$ 336	$ 10,791	$ 10,918	$ 127	$ 11,421	$ 11,209	$ (212)	$ 12,522
Expenditures																
Personnel Services	$ 1,486	$ 1,472	$ 14	$ 1,569	$ 1,606	$ (37)	$ 1,733	$ 1,916	$ (183)	$ 1,808	$ 1,953	$ (145)	$ 2,283	$ 2,272	$ 11	$ 2,345
Operating Expenses*	1,962	1,746	216	1,109	1,141	(32)	1,263	1,116	147	1,602	1,837	(235)	1,845	1,868	(23)	2,295
Administrative Overhead	-	-	-	163	165	(2)	186	198	(12)	234	282	(48)	267	269	(2)	333
Capital Outlay	173	192	(19)	40	104	(64)	123	133	(10)	97	62	35	63	51	12	89
Total Expenditures	$ 3,621	$ 3,410	$ 211	$ 2,881	$ 3,016	$ (135)	$ 3,305	$ 3,363	$ (58)	$ 3,742	$ 4,134	$ (392)	$ 4,458	$ 4,459	$ (1)	$ 5,062
Net Income	$ 4,934	$ 5,030	$ 96	$ 6,294	$ 6,354	$ 60	$ 6,410	$ 6,688	$ 278	$ 7,049	$ 6,784	$ (265)	$ 6,963	$ 6,750	$ (213)	$ 7,460

*Does not include Vehicle Services Operations or Shuttle Operations.

Over the period from Fiscal Year 2007-08 through Fiscal Year 2011-12, total actual revenues outperformed the budget in three of the five years. Total Decal sales, Parking Fees and Transportation Access Fees have been slightly under budget since Fiscal Year 2008-09. Fiscal Year 2011-12 Transportation Access Fee revenues were under budget due to changes in budgeting methodology and parking fee exemption volume in dual enrollment, fully online and off-campus students. Visitor and event parking revenue outperformed budget each year for the last five years. Policy changes to the collection of traffic fines resulted in a 60 percent increase in traffic fines and towing revenues which contributed to total revenues exceeding budget in Fiscal Years 2008-09 through Fiscal Year 2010-11. Challenging investment conditions resulted in less interest earnings than expected in Fiscal Year 2007-08 which was partially offset by other revenue sources exceeding estimates. The University currently forecasts that Fiscal Year 2012-13 revenue will be "in-line" with the Budget.

Parking System administrative operations were restructured in Fiscal Year 2007-08, which, included with vacant positions and delays in completing minor projects, resulted in expenditures 6 percent under budget. In Fiscal Year 2008-09, expenditures exceeded budget due to slightly higher personnel costs as vacant positions were filled and higher capital outlay costs incurred. Unplanned increases in salary and benefit costs caused expenditures in Fiscal Year 2009-10 to exceed budget. Expenditures exceeded budget in Fiscal Year 2010-11 primarily due to operating expenses for opening and operating Market Station (Parking Garage V) that were higher than expected. Fiscal Year 2011-12 expenditures were flat to budget. The University currently forecasts that Fiscal Year 2012-13 expenditures are trending on Budget.

Net income outperformed budget from Fiscal Year 2007-08 through Fiscal Year 2009-10, then declined in Fiscal Year 2010-11 due to the increase in expenditures related to the opening of Market Station. In Fiscal Year 2011-12, net income was lower than budget due to the methodology change in Transportation Access Fees.

Selected Historical Financial Information

The Parking System's activities are included in the University's Financial Statements. Audited University Financial Statements for Fiscal Year ended June 30, 2012, and Parking System Financial Statements, including the notes thereto, for Fiscal Year ended June 30, 2012, are reproduced in Appendices I and J, respectively. Generally, financial information relating to the Parking System is included in the University's financial statements which are audited by the Auditor General as part of the audit of Florida's Comprehensive Annual Financial Report; however, the following financial information for the Parking System was prepared by the University for internal management purposes as an integral part of the University's Financial Statements and has not been independently audited.

The following two tables set forth selected historical financial information for the Parking System. See Management's Discussion and Analysis of Financial Condition and Results of Operations below for additional explanation of the financial condition of the Parking System. The information provided below has been prepared on an accrual basis and in accordance with generally accepted accounting principles. The financial information includes Shuttle Operations and Vehicle Service Operations in Other Operating Revenue and Other Operating Expenses.

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University Parking System
Statement of Revenues, Expenses and Changes in Net Assets (Unaudited)

	Fiscal Year Ended June 30,				
	2008	**2009**	**2010**	**2011**	**2012**
OPERATING REVENUES					
Parking Decal and Fees	$7,178,376	$7,875,089	$8,678,360	$9,507,027	$10,024,471
Visitor Parking	343,565	351,134	296,801	338,523	372,506
Traffic Fines, Towing and Other Operating Revenue	1,183,158	2,344,209	2,188,725	2,273,719	2,652,931
TOTAL OPERATING REVENUES	**8,705,099**	**10,570,432**	**11,163,886**	**12,119,269**	**13,049,908**
OPERATING EXPENSES					
Personnel Services	1,318,453	2,019,872	2,335,621	2,530,917	2,927,745
Other Operating Expenses	1,878,761	3,118,746	2,791,959	3,686,127	4,253,383
Depreciation Expense	1,121,196	1,668,947	1,166,289	1,833,162	2,142,548
TOTAL OPERATING EXPENSES	**4,318,410**	**6,807,565**	**6,293,869**	**8,050,206**	**9,323,676**
OPERATING INCOME	**$4,386,689**	**$3,762,867**	**$4,870,017**	**$4,069,063**	**$3,726,232**
NON-OPERATING REVENUES (EXPENSES)					
Interest Income	249,347	(407,515)	518,854	78,675	128,434
Interest on Asset Related Debt	(1,300,830)	(1,237,157)	(2,188,343)	(2,976,402)	(2,883,276)
Other	(14,199)	(14,199)	(23,304)	(32,410)	(125,584)
TOTAL NON-OPERATING REVENUES (EXPENSES)	**(1,065,682)**	**(1,658,872)**	**(1,692,793)**	**(2,930,137)**	**(2,880,426)**
INCOME BEFORE TRANSFERS	**$3,321,007**	**$2,103,995**	**$3,177,224**	**$1,138,926**	**$845,806**
CAPITAL GRANTS	**-**	**-**	**346,145**	**642,310**	**642,310**
TRANSFERS IN (OUT)	**(790,481)**	**801,684**	**194,773**	**170,011**	**(993,888)**
CHANGE IN NET ASSETS	**2,530,526**	**2,905,679**	**3,718,142**	**1,951,247**	**494,228**
TOTAL NET ASSETS - BEGINNING	**$22,504,815**	**$25,035,341**	**$27,941,020**	**$31,659,162**	**$33,610,409**
TOTAL NET ASSETS - ENDING	**$25,035,341**	**$27,941,020**	**$31,659,162**	**$33,610,409**	**$34,104,637**

University Parking System
Historical Summary of Statement of Net Assets
(Unaudited)

	Fiscal Year Ended June 30,				
ASSETS	**2008**	**2009**	**2010**	**2011**	**2012**
CURRENT ASSETS					
Cash and Cash Equivalents	$58,806	$782,994	$1,385,896	$330,168	$236,345
Investments	10,693,791	12,120,341	11,492,339	5,804,564	8,405,139
Interest Receivable	-	-	18,006	-	-
Accounts Receivable	3,289,293	3,723,045	2,725,246	2,167,252	1,904,155
Loans Receivable	-	-	-	57,956	-
Allowance for Uncollectibles	(2,432,979)	(2,927,967)	(1,981,692)	(1,395,744)	(1,326,527)
Due from Component Units	-	-	745	-	1,099
Deferred Charges	14,199	14,199	32,411	32,411	32,411
TOTAL CURRENT ASSETS	**11,623,110**	**13,712,612**	**13,672,951**	**6,996,607**	**9,252,622**
NON-CURRENT ASSETS					
Restricted Cash and Cash Equivalents	18,008	51,001	29,152	21,893	15,015
Restricted Investments	3,698	-	8,103,355	2,875,676	2,830,398
Loans Receivable	-	-	-	2,720,870	-
Deferred Charges	177,494	163,294	659,032	626,620	594,207
Construction in Progress	604,220	843,065	29,475,715	3,850,313	1,509,153
Furniture and Equipment	1,058,769	1,686,697	1,440,618	1,613,340	1,115,849
Infrastructure and Other Improvements	432,791	432,791	432,791	432,791	432,791
Buildings	43,545,256	43,545,256	43,545,256	79,412,809	79,840,794
Accumulated Depreciation	(5,083,539)	(6,752,486)	(7,548,745)	(9,406,713)	(11,054,845)
TOTAL NON-CURRENT ASSETS	**40,756,696**	**39,969,618**	**76,137,174**	**82,147,599**	**75,283,362**
TOTAL ASSETS	**$52,379,806**	**$53,682,229**	**$89,810,125**	**$89,144,206**	**$84,535,984**
LIABILITIES					
CURRENT LIABILITIES					
Accounts Payable	35,116	170,633	154,202	959,027	45,311
Construction Contracts Payable	-	-	2,475,718	954,871	296,690
Accrued Salaries and Wages	62,643	56,451	67,533	48,634	33,323
Due to Other Funds	-	-	122,443	834,908	-
Deposits Payable	900	900	900	-	-
Compensated Absences Liability-Current	5,212	8,545	10,628	10,745	12,056
Bonds Payable - Current	1,779,613	1,849,613	2,596,622	2,691,302	2,789,613
TOTAL CURRENT LIABILITIES	**$1,883,484**	**$2,086,141**	**$5,428,046**	**$5,499,487**	**$3,176,993**
NON-CURRENT LIABILITIES					
Compensated Absences Liability-Non Current	84,750	128,450	138,749	141,444	151,301
Bonds Payable - Non-current , Net of Discount	25,376,231	23,526,618	52,584,168	49,892,866	47,103,253
TOTAL NON-CURRENT LIABILITIES	**$25,460,981**	**$23,655,068**	**$52,722,917**	**$50,034,310**	**$47,254,554**
TOTAL LIABILITIES	**$27,344,465**	**$25,741,209**	**$58,150,963**	**$55,533,797**	**$50,431,547**
NET ASSETS					
Restricted Expendable Capital Projects	18,008	50,201	5,648,211	2,897,569	2,845,412
Unrestricted	11,502,633	13,462,877	13,438,029	6,735,436	8,681,530
Invested in Capital Assets, Net of Related Debt	13,514,700	14,427,941	12,572,922	23,977,404	22,577,495
TOTAL NET ASSETS	**$25,035,341**	**$27,941,020**	**$31,659,162**	**$33,610,409**	**$34,104,437**
TOTAL LIABILITIES AND NET ASSETS	**$52,379,806**	**$53,682,229**	**$89,810,125**	**$89,144,206**	**$84,535,984**

Management's Discussion and Analysis of Financial Condition and Results of Operations

Total financial statement revenues increased from $8.7 million to $13.0 million from Fiscal Year 2008 through Fiscal Year 2012. Revenue growth was largely attributable to higher Transportation Access Fees, higher student enrollment volumes, higher visitor (event) fees (and volumes) and traffic fine revenues. The higher traffic fine revenues were largely driven by changes in the University's collection policy. The University implemented decal and transportation access fees increases in Fiscal Year 2009 and Fiscal Year 2011 and opened the Market Station facility in Fiscal Year 2011. Policy changes relating to enforcement procedures and collection of traffic fines in Fiscal Year 2009 resulted in significant increases in revenues for fines and towing.

Shuttle Fees and Vehicle Service revenues also grew over the five year period from approximately $0.3 million to $1.6 million primarily from the addition of Vehicle Services in Fiscal Year 2009 and the expansion of Shuttle Services in Fiscal Year 2012.

Total financial statement operating expenses increased from $4.3 million to $9.3 million from Fiscal Year 2008 through Fiscal Year 2012. The addition of Market Station contributed to the $1.0 million increase in depreciation expense over the period. Total current operating expenses grew from $2.1 million in Fiscal Year 2008 to $3.9 million in Fiscal Year 2012. Expenditure growth was largely attributable to higher personnel costs and the addition of operational expenditures for Market Station which opened in Fall 2010.

Shuttle and Vehicle Service expenditures increased from approximately $0.7 million in Fiscal Year 2008 to $2.4 million in Fiscal Year 2012, primarily due to the addition of Vehicle Services in Fiscal Year 2009 and the expansion of the Shuttle Services in Fiscal Year 2012. The Parking System subsidizes the operations of the Shuttle and Vehicle Service functions which are subordinate to Parking System debt service.

Total financial statement net operating income declined from $4.3 million in Fiscal Year 2008 to $3.8 million in Fiscal Year 2009 due to the addition of Vehicle Services and increased depreciation expenses. Financial Statement net operating income increased to $4.9 million in Fiscal Year 2010, due mostly to higher student volumes and a decline in depreciation expenses. Financial statement net operating income for Fiscal Year 2011 declined to $4.1 million as expenditures increased with the opening of the new parking facility. The decline in net income for Fiscal Year 2012 reflected the increase in depreciation expense from additional capital assets.

Total net assets increased annually from $25.0 million in Fiscal Year 2008 to $34.1 million in Fiscal Year 2012. Current assets increased in Fiscal Year 2009 to $13.7 million from $11.6 million in Fiscal Year 2008 and remained approximately the same for Fiscal Year 2010. Fiscal Year 2011 current assets declined to $7.0 million, as cash and investments were used to fund the completion of Market Station, then increased to $9.3 million in Fiscal Year 2012.

Nonoperating revenues and expenses consist of investment income, interest expense and adjustments to the fair market value of investments. The fluctuation in nonoperating revenues and expenses is mainly attributable to interest on asset related debt, realized investment income and adjustments to the fair market value of investments.

The Parking System has received capital grant revenues for the annual interest subsidy from the Federal Government for the Series 2009B Build America Bonds of $0.3 million in Fiscal Year 2010 and $0.6 million in Fiscal Years 2011 and 2012, which represented 35 percent of the annual interest payable through 2012. The Parking System expects to receive $0.6 million in subsidy for Fiscal Year 2013. Build America Bonds subsidy payments are not included in Pledged Revenue.

The table below shows the comparison of actual operating results to budget for the first nine months of Fiscal Year 2013. Revenues year to date were slightly under budget. However, lower than expected expenditures over the period resulted in net income exceeding budget by 5% for the period. The report was prepared by management for informational purposes and is preliminary and subject to change.

Comparison Actual to Budget
July 1, 2012 through March 31, 2013
(In Thousands of Dollars)

Revenue	Budget	Actual	Variance
Decal sales, Parking Fee, Transportation Access Fee	$8,063	$8,058	$ (5)
Visitor Parking[1]	765	708	(57)
Traffic Fines and Towing	801	780	(21)
Interest Income	1	1	-
Total Revenues	9,630	9,547	(83)
Expenditures			
Personnel Services	1,769	1,602	(167)
Operating Expenses	1,331	1,144	(187)
Administrative Overhead	214	189	(25)
Capital Outlay	27	-	(27)
Total Expenditures	3,341	2,935	(406)
Net Income	$6,289	$6,612	$323

Source: Florida International University.
[1] Includes events revenue.

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Historical Pledged Revenues and Debt Service Coverage

The following table shows historical operating results and debt service coverage ratios for the Parking System. Parking System financial statements include Shuttle Operations and Vehicle Services Operations for accounting purposes; however, neither are pledged to Parking System bonds. As shown in the table, financial statement revenues and expenditures are reduced by the shuttle and vehicle operations in the determination of Parking System Pledged Revenue available for debt service coverage.

Historical Debt Service Coverage from Pledged Revenues[1]

	Fiscal Years Ending June 30,				
	2008	2009	2010	2011	2012
Operating Revenues					
Parking Decals & Fees	$7,178,376	$7,875,089	$8,678,360	$9,507,027	$10,024,271
Visitor Parking	343,565	351,134	296,801	338,523	372,506
Other Fines and Misc. Revenues	1,183,158	2,344,209	2,188,725	2,273,719	2,652,931
Less: Shuttle Fees & Vehicle Service Revenues	(276,287)	(1,009,638)	(1,166,943)	(1,281,098)	(1,617,487)
Total Operating Revenues	$8,428,812	$9,560,794	$9,996,943	$10,838,171	$11,432,221
Operating Expenses[2,3]					
Operating Expenditures	$3,197,214	$5,138,618	$5,127,580	$6,217,044	$7,181,128
Less: One-time capital expenditures	(338,310)	(715,633)	(383,186)	(569,901)	(499,485)
Less: Shuttle & Vehicle Service Expenses	(663,584)	(1,563,573)	(1,748,092)	(2,248,703)	(2,474,282)
Less: Administrative Overhead	(117,039)	(164,779)	(197,981)	(286,451)	(274,449)
Total Operating Expenses	$2,078,281	$2,694,633	$2,798,321	$3,111,989	$3,932,912
Net Income	$6,350,531	$6,866,161	$7,198,622	$7,726,182	$7,499,309
Plus: Interest Income	$146,993	$65,872	$12,546	$9,901	$3,034
Pledged Revenue	$6,497,524	$6,932,033	$7,211,168	$7,736,083	$7,502,343
Debt Service					
Annual Debt Service	$3,010,443	$3,016,770	$4,395,334	$5,573,024	$5,574,579
Maximum Annual Debt Service	$5,583,761	$5,583,761	$5,583,761	$5,583,761	$5,583,761
Coverage Ratios without Subsidy					
Annual Debt Service	2.16x	2.30x	1.64x	1.39x	1.35x
Maximum Annual Debt Service	1.16x	1.24x	1.29x	1.39x	1.34x
Federal Subsidy for the 2009B Bonds	-	-	$346,145	$642,310	$642,310
Coverage Ratios with Subsidy					
Annual Debt Service	-	-	1.72x	1.50x	1.46x
Maximum Annual Debt Service	-	-	1.35x	1.50x	1.46x

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[1] The financial information related to revenues and expenses was provided by the University and has not been audited. See "Selected Historical Financial Information" herein. Shuttle Operations and Vehicle Service Operations revenues and expenditures are not included in the Pledged Revenues for the Bonds.

[2] Total revenues include decal sales, parking fees, traffic fines and towing, visitor parking, interest income and miscellaneous revenues of the Parking System.

[3] Operating expenditures includes costs associated with utilities, salaries, maintenance, supplies, cashiering, on-site security and other normal expenses incident to the operation of the Parking System and excludes depreciation.

Projected Pledged Revenues and Debt Service Coverage

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

Parking System revenue projections include increases in decal fees in Fiscal Years 2015 and 2017 (see "PARKING SYSTEM- Rates and Charges"). Visitor parking is projected to increase 6% annually. Parking administration expenses are expected to grow 2% annually and include all expenses associated with salaries, utilities, maintenance and normal operating expenses of the Parking System.

Revenues and expenses related to the Shuttle Operations and Vehicle Services Operations are excluded and not pledged to the 2013A Bonds.

Debt Service Coverage from Projected Pledged Revenues

	Fiscal Years Ending June 30,				
	2013	**2014**	**2015**	**2016**	**2017**
Operating Revenues[1]					
Parking Decal/Fees	$10,398,206	$10,640,514	$10,838,641	$10,979,484	$11,204,319
Visitor Parking	495,300	523,300	552,800	584,100	617,100
Fines/Towing	1,765,089	1,880,167	1,959,965	1,979,787	2,001,996
Interest Income	1,688	18,905	12,489	12,243	14,523
Total Operating Revenues	$12,660,283	$13,062,886	$13,363,895	$13,555,614	$13,837,938
Operating Expenses[1,2]	$4,938,741	$4,475,840	$4,608,943	$4,994,007	$5,156,709
Pledged Revenues	$7,721,542	$8,587,046	$8,754,952	$8,561,607	$8,681,229
Debt Service:					
Outstanding Debt[3]	$5,580,014	$2,556,034	$2,555,171	$2,541,371	$2,533,296
Series 2013A	-	3,718,159	4,372,356	4,374,606	4,371,356
Total Annual Debt Service	$5,580,014	$6,274,193	$6,927,527	$6,915,977	$6,904,652
Maximum Annual Debt Service[4]	$5,580,014	$6,927,527	$6,927,527	$6,915,977	$6,904,652
Coverage Ratios without Subsidy:					
Annual Debt Service	1.38x	1.37x	1.26x	1.24x	1.26x
Maximum Annual Debt Service	1.38x	1.24x	1.26x	1.24x	1.26x

[1] Projections of revenues and expenditures have been provided by the University based upon the assumptions discussed above.

[2] Does not include depreciation.

[3] The debt service amount for the Outstanding Bonds does not reflect the expected receipt of the federal subsidy of the interest payable on the 2009B Bonds.

[4] Maximum Annual Debt Service on the Outstanding Bonds and the 2013A Bonds occurs in Fiscal Year 2015.

SCHEDULE OF DEBT SERVICE

The table below shows the debt service on the Outstanding Bonds, the debt service on the 2013A Bonds and the combined debt service for the Parking System.

Fiscal Year Ending June 30	Outstanding Bonds[1,2]	Debt Service on 2013A Bonds Principal	Interest	Total	Total Debt Service
2013	$5,580,014	-	-	-	$5,580,014
2014	2,556,034	$1,950,000	$1,768,159	$3,718,159	6,274,193
2015	2,555,171	2,155,000	2,217,356	4,372,356	6,927,528
2016	2,541,371	2,265,000	2,109,606	4,374,606	6,915,978
2017	2,533,296	2,375,000	1,996,356	4,371,356	6,904,653
2018	2,516,816	2,500,000	1,877,606	4,377,606	6,894,423
2019	2,507,036	2,620,000	1,752,606	4,372,606	6,879,643
2020	2,488,296	2,170,000	1,621,606	3,791,606	6,279,903
2021	2,472,371	2,275,000	1,513,106	3,788,106	6,260,478
2022	2,458,499	2,350,000	1,444,856	3,794,856	6,253,355
2023	2,436,299	820,000	1,327,356	2,147,356	4,583,655
2024	2,420,499	850,000	1,298,656	2,148,656	4,569,155
2025	2,396,329	880,000	1,264,656	2,144,656	4,540,985
2026	2,379,019	915,000	1,229,456	2,144,456	4,523,475
2027	2,352,869	955,000	1,192,856	2,147,856	4,500,725
2028	2,327,019	995,000	1,152,269	2,147,269	4,474,288
2029	2,303,244	1,035,000	1,108,738	2,143,738	4,446,981
2030	2,276,219	1,085,000	1,062,163	2,147,163	4,423,381
2031	2,246,313	1,140,000	1,005,200	2,145,200	4,391,513
2032	2,212,625	1,200,000	945,350	2,145,350	4,357,975
2033	2,185,156	1,260,000	888,350	2,148,350	4,333,506
2034	2,148,219	1,320,000	828,500	2,148,500	4,296,719
2035	2,112,156	1,385,000	762,500	2,147,500	4,259,656
2036	2,076,625	1,450,000	693,250	2,143,250	4,219,875
2037	2,036,281	1,525,000	620,750	2,145,750	4,182,031
2038	1,996,125	1,600,000	544,500	2,144,500	4,140,625
2039	1,955,813	1,680,000	464,500	2,144,500	4,100,313
2040	-	1,765,000	380,500	2,145,500	2,145,500
2041	-	1,855,000	292,250	2,147,250	2,147,250
2042	-	1,945,000	199,500	2,144,500	2,144,500
2043	-	2,045,000	102,250	2,147,250	2,147,250
	$66,069,713	$48,365,000	$33,664,809	$82,029,809	$148,099,521

1 Debt outstanding excludes the Refunded Bonds.

2 Debt service is calculated without consideration of the expected receipt of the federal subsidy on the 2009B Build America Bonds.

Note: Numbers may not add due to rounding.

PROVISIONS OF STATE LAW

Bonds Legal Investment for Fiduciaries

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

Negotiability

The 2013A Bonds will have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code - Investment Securities Law of the State.

TAX MATTERS

General

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements which must be met subsequent to the issuance and delivery of the 2013A Bonds in order that interest on the 2013A Bonds be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the 2013A Bonds to be included in federal gross income retroactive to the date of issuance of the 2013A 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 2013A Bonds and the other amounts are to be invested and require that certain investment earnings on the foregoing must be rebated on a periodic basis to the Treasury Department of the United States. The Board, the Division of Bond Finance and the Board of Administration have covenanted in the Resolution to comply with such requirements in order to maintain the exclusion from federal gross income of the interest on the 2013A Bonds.

In the opinion of Bond Counsel, assuming compliance with the aforementioned covenants, under existing laws, regulations, judicial decisions and rulings, interest on the 2013A Bonds is excluded from gross income of the holders thereof for purposes of federal income taxation. Interest on the 2013A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals or corporations; however, interest on the 2013A Bonds will be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations. The 2013A Bonds and the income thereon are not subject to any tax under the laws of the State of Florida except estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of 2013A Bonds. Prospective purchasers of 2013A Bonds should be aware that the ownership of 2013A 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 2013A Bonds, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by 15% of certain items, including interest on the 2013A Bonds, (iii) the inclusion of interest on the 2013A Bonds in earnings of certain foreign corporations doing business in the United States for purposes of a branch profits tax, (iv) the inclusion of interest on 2013A Bonds in passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year, and (v) the inclusion of interest on the 2013A Bonds in "modified adjusted gross income" by recipients of certain Social Security and Railroad Retirement benefits for purposes of determining whether such benefits are included in gross income for federal income tax purposes.

Information Reporting and Backup Withholding

Interest paid on tax-exempt bonds such as the 2013A 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 2013A 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 2013A Bonds, under certain circumstances, to "backup withholding" at the rate specified in the Code with respect to payments on the 2013A Bonds and proceeds from the sale of 2013A Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of 2013A Bonds. This withholding generally applies if the owner of 2013A Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the 2013A Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Tax Treatment of Bond Premium

The 2013A Bonds maturing in 2014 through 2020, 2022, 2024, 2030 and 2031 were offered and sold to the public at prices in excess of the principal amount thereof. Under the Code, the excess of the cost basis of a bond over the principal amount of the bond (other than for a bondholder who holds a bond as inventory, stock in trade, or for sale to customers in the ordinary course of business) is generally characterized as "bond premium." For federal income tax purposes, bond premium is amortized over the term of the bonds or to the first optional redemption date in the case of callable bonds. A bondholder will therefore be required to decrease his basis in the 2013A Bonds by the amount of amortizable bond premium attributable to each taxable year such bondholder holds such 2013A Bond. The amount of the amortizable bond premium attributable to each taxable year is determined on an actuarial basis at a constant interest rate compounded on each interest payment date. The amortizable bond premium attributable to a taxable year is not deductible for federal income tax purposes.

Bondholders of such 2013A Bonds should consult their own tax advisors with respect to the precise determination of federal income tax treatment of bond premium upon sale, redemption, or other disposition of such 2013A Bonds.

Tax Treatment of Original Issue Discount

The 2013A Bonds maturing in 2021, 2023, 2025 through 2029, 2033, 2035, 2038 and 2043 were offered and sold to the public at prices below their maturity amount. Under the Code, the difference between the maturity amounts of such 2013A 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 2013A Bonds of the same maturity was sold is "original issue discount." Original issue discount will accrue over the terms of such 2013A Bonds at a constant interest rate compounded periodically. A purchaser who acquires such 2013A Bonds in the initial offering at a price equal to the initial offering price thereof to the public will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period he holds such 2013A Bonds, and will increase his adjusted basis in such 2013A Bonds by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such 2013A Bonds. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of such 2013A Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Owners of such 2013A Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, redemption or other disposition of 2013A Bonds and with respect to the state and local tax consequences of owning and disposing of such 2013A Bonds.

Purchase, ownership or sale or disposition of the 2013A Bonds and the receipt of the interest thereon may have adverse federal tax consequences for certain individual and corporate bondholders. Prospective 2013A Bondholders should consult their tax specialists for information in that regard.

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the 2013A Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the 2013A Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the 2013A Bonds and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect upon, the 2013A Bonds. For example, in connection with federal deficit reduction, job creation and tax law reform efforts, proposals have been made and others are likely to be made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the 2013A Bonds. There can be no assurance that any such legislation or proposal will be enacted, and if enacted, what form it may take. The introduction or enactment of any such legislative proposals may affect, perhaps significantly, the market price for, or marketability of the 2013A Bonds.

State Taxes

The 2013A Bonds and the income therefrom are not subject to any taxation by the State or any county, municipality, political subdivision, agency, or instrumentality of the State, except estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended.

Florida laws governing the imposition of estate taxes do not provide for an exclusion of state or local bonds from the calculation of the value of the gross estate for tax purposes. Florida's estate tax is generally calculated on the basis of the otherwise unused portion of the federal credit allowed for state estate taxes. Under Chapter 198, Florida Statutes, all values for state estate tax purposes are as finally determined for federal estate tax purposes. Since state and local bonds are included in the valuation of the gross estate for federal tax purposes, such obligations would be included in such calculation for Florida estate tax purposes. Prospective owners of the 2013A Bonds should consult their own attorneys and advisors for the treatment of the ownership of the 2013A Bonds for estate tax purposes.

The 2013A Bonds and the income therefrom are subject to the tax imposed by Chapter 220 on interest, income, or profits on debt obligations owned by corporations and other specified entities.

MISCELLANEOUS

Investment of Funds

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 New Money Portion of the 2013A Bonds will be deposited into the 2013A Project Construction Fund in the State Treasury of Florida to pay the costs of the 2013A Project, and the net proceeds of the Refunding Portion will be held uninvested. After collection, the Pledged Revenues are transferred to the Revenue Fund, and amounts required for debt service are transferred to the Sinking Fund held by the Board of Administration. See "*Investment by the Chief Financial Officer*" and "*Investment by the Board of Administration*" below.

Investment by the Chief Financial Officer **-** Funds held in the State Treasury are invested by internal and external investment managers. As of June 30, 2013, the ratio was approximately 58% internally managed funds, 39% externally managed funds, 4% Certificates of Deposit and 8% in an externally managed Security Lending program. The total portfolio market value on June 30, 2013, was $22,648,609,240.97.

Under State law, the Treasury is charged with investing funds of each State agency and the judicial branch. As of June 30, 2013, $14.432 billion of the investments in the Treasury consisted of accounts held by State agencies that are required by law to maintain their investments in the Treasury; additionally, $5.906 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. Treasury personnel also manage approximately $2.8 billion to cash enhanced and intermediate strategies to provide additional return. The majority of investments managed for a maximum return are managed by "external" investment managers not employed by the State.

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

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

The Board of Administration adopts specific investment policy guidelines for the management of its funds which reflect the long-term risk, yield, and diversification requirements necessary to meet its fiduciary obligations. As of June 30, 2013, the Board of Administration directed the investment/administration of 38 funds in over 500 portfolios.

As of June 30, 2013 the total market value of the FRS (Defined Benefit) Trust Fund was $132,382,915,266.23. 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 37 designated funds other than the FRS (Defined Benefit) Trust Fund. As of June 30, 2013, the total market value of these funds equaled $29,450,330,654.20. Each fund is independently managed by the Board of Administration in accordance with the applicable documents, legal requirements and investment plan. Liquidity and preservation of capital are preeminent investment objectives for most of these funds, so investments for these are restricted to high quality money market instruments (e.g., cash, short-term treasury securities, certificates of deposit, banker's acceptances, and commercial paper). The term of these investments is generally short, but may vary depending upon the requirements of each trust and its investment plan.

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

Bond Ratings

Standard & Poor’s Ratings Services, Moody’s Investors Service and Fitch Ratings (herein referred to collectively as “Rating Agencies”), have assigned their municipal bond ratings of AA-, Aa3 and A+, respectively, to the 2013A Bonds. Such ratings reflect only the respective views of such Rating Agencies at the time such ratings were issued, and an explanation of the significance of such ratings may be obtained from any of the respective rating agencies.

The University furnished to such Rating Agencies certain information and material in respect to the University, the Parking System, and the 2013A 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 2013A Bonds.

Certain companies provide either bond insurance or reserve account surety bonds on various series of Outstanding Bonds. The Rating Agencies have evaluated (and are continuing to evaluate) the effects of the downturn in the market for certain structured finance instruments, including collateralized debt obligations and residential mortgage backed securities, on the claims-paying ability of financial guarantors. The results of these evaluations have included and may include additional ratings affirmations, changes in rating outlook, reviews for downgrade, and downgrades. To date, the Rating Agencies have downgraded the following companies as indicated: MBIA Insurance Corporation - S&P/B, Moody’s/Caa2. MBIA has a negative outlook by S&P and a developing outlook by Moody’s. Fitch has withdrawn its ratings for MBIA. Potential investors are directed to the Rating Agencies for additional information on their ongoing evaluations of the financial guaranty industry and individual financial guarantors.

Litigation

Currently there is no litigation pending, or to the knowledge of the University, the Board, or the Division of Bond Finance threatened, which, if successful, would have the effect of restraining or enjoining the issuance or delivery of the 2013A Bonds or the fixing or collection of the revenues pledged thereto. Nor is there currently any litigation pending, or to the knowledge of the University, the Board, or the Division of Bond Finance threatened which questions or affects the validity of the 2013A Bonds or the proceedings and authority under which the 2013A Bonds are to be issued. Further, there is currently no litigation pending, or to the knowledge of the University, the Board, or the Division of Bond Finance threatened, which questions or affects the corporate existence of the Board or the title of the present officers to their respective offices. The University, the Board, and the Division of Bond Finance from time to time engage in routine litigation the outcome of which would not be expected to have any material adverse affect on the issuance and delivery of the 2013A 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 2013A 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 2013A 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 L.

Continuing Disclosure

The Board and the University will undertake, for the benefit of the beneficial owners and the Registered Owners of the 2013A Bonds to provide, or cause to be provided, certain financial information and operating data and to provide notices of certain material events. Such financial information and operating data will be transmitted to the Municipal Securities Rulemaking Board (the "MSRB") using its Electronic Municipal Market Access System ("EMMA"). Any notice of material events will also be transmitted to the MSRB using EMMA. The form of the undertaking is set forth in Appendix K, Form of Continuing Disclosure Agreement. This undertaking is being made in order to assist the underwriters in complying with Rule 15c2-12 of the Securities and Exchange Commission.

Neither the Board, the University nor the Division of Bond Finance has failed to make any disclosures required by Rule 15c2-12.

Underwriting

Wells Fargo Bank, National Association (the "Underwriter") has agreed to purchase the 2013A Bonds at an aggregate purchase price of $48,893,552.03 (which represents the par amount of the 2013A Bonds plus an original issue premium of $1,461,541.90 and minus the Underwriter's discount of $932,989.87). The Underwriter may offer and sell the 2013A Bonds to certain dealers (including dealers depositing bonds into investment trusts) and others at prices lower than the offering price stated on the inside front cover.

Execution of Official Statement

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

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

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

J. BEN WATKINS III
Director
Division of Bond Finance

BOARD OF GOVERNORS

DEAN COLSON
Chair

APPENDIX A

DEFINITIONS

"1995 Bonds" shall mean the $7,780,000 State of Florida, Board of Regents, Florida International University Parking Facility Revenue Bonds, Series 1995.

"1999 Bonds" shall mean the $7,530,000 State of Florida, Board of Regents, Florida International University Parking Facility Revenue Bonds, Series 1999.

"2002 Bonds" shall mean the $22,915,000 State of Florida, Florida Board of Education, Florida International University Parking Facility Revenue Bonds, Series 2002.

"2009A Bonds" shall mean the $3,085,000 State of Florida, Board of Governors, Florida International University Parking Facility Revenue Bonds, Series 2009A Tax-Exempt Bonds issued pursuant to the Third Supplemental Resolution.

"2009B Bonds" shall mean the $28,915,000 State of Florida, Board of Governors, Florida International University Parking Facility Revenue Bonds, Series 2009B Build America Bonds (Federally Taxable-Issuer Subsidy) issued pursuant to the Third Supplemental Resolution.

"2013A Bonds" shall mean the $48,365,000 State of Florida, Board of Governors, Florida International University Parking Facility Revenue Bonds, Series 2013A, issued pursuant to the Fourth and Fifth Supplemental Resolutions.

"2013A Project" shall mean the parking facility located on the main campus of the Florida International University as previously approved by the Board of Governors and the Legislature, and subject to any deletions, modifications, or substitutions deemed necessary and expedient and approved by resolution of the Board of Governors.

"2013A Project Construction Fund" shall mean a trust fund in which shall be deposited the net proceeds of the 2013A Bonds and other available moneys for the construction of the 2013A Project.

"Additional Parity Bonds" shall mean any obligations hereafter issued pursuant to the terms and conditions of the Resolution and payable from the Pledged Revenues on a parity with the Bonds originally issued thereunder. Such Additional Parity 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 Parity 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 Parity Bonds evidencing additional obligations subsequently issued within the limitations of and in compliance with the Resolution. All of such Additional Parity 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 of any Bonds over any other. Additional Parity Bonds shall also include any outstanding indebtedness previously issued with respect to any parking facility which is being added to the Parking System and which is secured by the revenue of such parking facility.

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

"Amortization Installment" 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 together with redemption premiums, if any, on 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 IV, Section 4, Florida Constitution and Chapter 215, Florida Statutes.

"Board of Governors" or "Board" shall mean 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" 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 the Resolution, in the manner and in accordance with the terms provided in such Bond Insurance Policy.

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

"Bonds" shall mean the 1995 Bonds, the 1999 Bonds, the 2002 Bonds, the 2009A&B Bonds, the 2013A Bonds and any Additional Parity Bonds issued in accordance with Section 5.01 of the Resolution.

"Current Expenses" shall mean and include all necessary expenses of the Board of Governors or the University incident to the normal operation of the Parking System, but shall exclude depreciation, all general administrative expenses of the Board of Governors or the University, the expenses of operation of auxiliary facilities the revenues of which are not pledged as security for the Bonds and the payments into the Parking 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.

"Fifth Resolution" shall mean the resolution adopted on April 23, 2013, by the Governor and Cabinet as the Governing Board of the Division of Bond Finance, authorizing the issuance of refunding bonds.

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

"Fourth Supplemental Resolution" shall mean the resolution adopted on April 23, 2013, by the Governor and Cabinet as the Governing Board of the Division of Bond Finance, authorizing the issuance of the Series 2013A Bonds.

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

"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 set forth 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, or all Bonds, as the case may be), required to be deposited into the Sinking Fund during the then current or any succeeding Fiscal Year. For the purpose of calculating the deposits to be made into a sub-account in the Reserve Account, Maximum Annual Debt Service shall mean, at any time, the maximum amount, if any, required to be deposited during the then current or any succeeding Fiscal Year, into the Sinking Fund with respect to the Bonds for which such sub-account has been established. 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 shall not be included as part of the Amortization Installment in determining the Maximum Annual Debt Service for that Fiscal Year.

"Original Resolution" or "Resolution" shall mean the Resolution authorizing the issuance of the 1995 Bonds adopted on February 28, 1995, as amended and supplemented.

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

(i) Bonds theretofore cancelled 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 of the Resolution 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 thereunder 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 Florida Board of Governors.

(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).

"Parking System" shall mean (1) the University's existing parking facilities; (2) the 2013A Project; and (3) such additional parking facilities as at some future date may be added to the Parking System.

"Parking System Maintenance and Equipment Reserve Fund" shall mean the fund required to be created pursuant to Section 4.02(A) of the Resolution.

"Parking System Revenues" shall mean all fees, rentals or other charges and income related to parking, received by the University from students, faculty members, and others using or being served by or having the right to use, or having the right to be served by, the Parking System, and all parts thereof, and specifically including, without limiting the generality of the foregoing, transportation access fees, parking decal fees, towing revenues, parking meter collections, parking fine revenues, interest income, special rental fees and other charges for parking services or parking space provided by the University.

"Pledged Revenues" shall mean the Parking System Revenues after deducting the Current Expenses, the Administrative Expenses, the and the Rebate Amount, if any.

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

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

"Rebate Amount" shall have the meaning ascribed to that term in Section 6.04 of the Resolution.

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

"Refunded Bonds" shall mean all of the Outstanding State of Florida, Board of Regents, Florida International University Parking Facility Revenue Bonds, Series 1999, and the Outstanding State of Florida, Board of Education, Florida International University Parking Facility Revenue Bonds, Series 2002.

"Registered Owner" shall mean any person who shall be the registered owner of any Bond.

"Reserve Account" shall mean the account within the Sinking Fund created pursuant to Section 4.02(A)(2) of the Resolution and which shall include any subaccounts established for a particular Series of Bonds.

"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 in a debt service reserve subaccount in lieu of or in partial substitution for cash or securities on deposit therein. The provider of such Reserve Account Credit Facility 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 in a debt service reserve subaccount, if any, in lieu of or in partial substitution for cash or securities on deposit therein. The provider of such Reserve Account Insurance Policy shall be an insurer rated in one of the two highest full rating categories of a Rating Agency.

"Reserve Requirement" shall mean, as of any date of calculation for a particular debt service reserve subaccount within the Sinking Fund, an amount to be determined by subsequent resolution of the Governing Board, which amount shall not exceed the lesser of (1) the Maximum Annual Debt Service on the Bonds secured by such subaccount, (2) 125% of the average annual debt service of the Bonds secured by such subaccount, (3) 10% of the par amount of the Bonds secured by such subaccount, or (4) the maximum debt service reserve permitted with respect to tax-exempt obligations under the U.S. Internal Revenue Code of 1986, as amended, with respect to the Bonds secured by such subaccount.

"Revenue Fund" shall mean the Florida International University Parking System Revenue Fund created and established pursuant to Section 4.02 of the Resolution.

"Series" or **"Series of Bonds"** shall mean all of the Bonds authenticated and delivered on original issuance pursuant to the 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" shall mean the Florida International University Parking System Sinking Fund created and established pursuant to Section 4.02(A)(2) of the Resolution.

"State" shall mean the State of Florida.

"Term Bonds" shall mean the Bonds of a Series which shall be stated to mature on one date and for the amortization of which payments are required to be made into the Bond Amortization Account in the Sinking Fund as may be provided pursuant to a subsequent resolution of the Division of Bond Finance.

“Third Supplemental Resolution” means the resolution adopted on September 15, 2009 by the Governor and Cabinet as the Governing Board of the Division of Bond Finance, amending the Resolution.

"University" shall mean 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.

A RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $9,100,000 STATE OF FLORIDA, BOARD OF REGENTS, FLORIDA INTERNATIONAL UNIVERSITY PARKING FACILITY REVENUE BONDS, SERIES 1995, TO FINANCE THE CONSTRUCTION OF A PARKING 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 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, the State Bond Act; 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 Bonds, 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 Parity 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 1995 Bonds originally issued hereunder. Such Additional Parity 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 Parity 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 Parity Bonds evidencing additional obligations subsequently issued within the limitations of and in compliance with this Resolution. All of such Additional Parity 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 of any Bonds over any other. Additional Parity Bonds shall also include any outstanding indebtedness previously issued with respect to any parking facility which is being added to the Parking System and which is secured by the revenue of such parking 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 together with redemption premiums, if any, on 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.

"Auditor General" shall mean the Auditor General of the State of Florida.

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

"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 Co., N.A., New York, New York, or its successor.

"Bonds" shall mean the 1995 Bonds and any Additional Parity Bonds issued in accordance with Section 5.01 hereof.

"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.

"Completion Bonds" shall mean those Bonds issued pursuant to Section 5.04 of this Resolution to pay the cost of completing the 1995 Project.

"Current Expenses" shall mean and include all necessary expenses of the Board of Regents or the University incident to the normal operation of the Parking System, but shall exclude depreciation, all general administrative expenses of the Board of Regents or the University, the expenses of operation of auxiliary facilities the revenues of which are not pledged as security for the Bonds and the payments into the Parking 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.

"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 of Florida as the governing board of the Division of Bond Finance.

"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 set forth 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, or all Bonds, as the case may be), required to be deposited into the Sinking Fund during the then current or any succeeding Fiscal Year. For the purpose of calculating the deposits to be made into a sub-account in the Reserve Account, Maximum Annual Debt Service shall mean, at any time, the maximum amount, if any, required to be deposited during the then current or any succeeding Fiscal Year, into the Sinking Fund with respect to the Bonds for which such sub-account has been established. 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 shall not be included as part of the Amortization Installment in determining the Maximum Annual Debt Service for that Fiscal Year.

"1995 Bonds" shall mean the not to exceed $9,100,000 State of Florida, Board of Regents, Florida International University Parking Facility Revenue Bonds, Series 1995.

"1995 Project" shall mean the parking facility located on the main campus of the Florida International University as previously approved by the Board of Regents and the Legislature, and subject to any deletions, modifications, or substitutions deemed necessary and expedient and approved by resolution of the Board of Regents.

"1995 Project Construction Fund" shall mean a trust fund in which shall be deposited the net proceeds of the 1995 Bonds and other available moneys for the construction of the 1995 Project.

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

(i) Bonds theretofore cancelled 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.

"Parking System" shall mean (1) the University's existing parking facilities located in Miami; (2) the 1995 Project; and (3) such additional parking facilities as at some future date may be added to the Parking System by designation of the Board of Regents.

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

"Parking System Revenues" shall mean all fees, rentals or other charges and income received by the University from the operation of the Parking System, and all parts thereof, and specifically including, without limiting the generality of the foregoing, parking decal sales, towing revenues, parking meter collections, parking fine revenues and interest income.

"Pledged Revenues" shall mean the Parking System Revenues after deducting the Administrative Expenses, the Current Expenses and the Rebate Amount, if any.

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

"Project Costs" shall mean the actual costs of the 1995 Project, including costs of design and construction; materials, labor, parking 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 to the construction and placing in operation of the 1995 Project and the financing thereof.

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

"Rebate Amount" shall have the meaning ascribed to that term in Section 6.04 of this Resolution.

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

"Rebate Year" shall mean, with respect to each Series of Bonds issued hereunder, (i) the twelve-month period commencing on the anniversary of the "closing date" in each year and ending on the day prior to the anniversary of the "closing date" in the following year, except that the first Rebate Year shall commence on the "closing date" and the final Rebate Year shall end on the date of final maturity or early redemption or (ii) such other period as regulations promulgated or to be promulgated by the United States Department of Treasury may prescribe. "Closing date" as used herein shall mean the date of delivery of Bonds to the original purchaser thereof.

"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 any person who shall be the registered owner of any Bond.

"Reserve Account" shall mean the account within the Sinking Fund created pursuant to Section 4.02(A)(2) of this Resolution and which shall include any subaccounts established for a particular Series of Bonds.

"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 in a debt service reserve subaccount in lieu of or in partial substitution for cash or securities on deposit therein. The provider of such Reserve Account Credit Facility 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 in a debt service reserve subaccount, if any, in lieu of or in partial substitution for cash or securities on deposit therein. The provider of such Reserve Account Insurance Policy shall be an insurer rated in one of the two highest full rating categories of a Rating Agency.

"Reserve Account Letter of Credit" shall mean the irrevocable, transferable letter of credit, if any, deposited in a debt service reserve subaccount, if any, in lieu of or in partial substitution for cash or securities 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 the rating of municipal obligations secured by such letter of credit to be rated in one of the two highest full rating categories of a Rating Agency.

"Reserve Requirement" shall mean, as of any date of calculation for a particular debt service reserve subaccount within the Sinking Fund, an amount to be determined by subsequent resolution of the Governing Board, which amount shall not exceed the lesser of (1) the Maximum Annual Debt Service on the Bonds secured by such subaccount, (2) 125% of the average annual debt service of the Bonds secured by such subaccount, (3) 10% of the par amount of the Bonds secured by such subaccount, or (4) the maximum debt service reserve permitted with respect to tax-exempt obligations under the U.S. Internal Revenue Code of 1986, as amended, with respect to the Bonds secured by such subaccount.

"Resolution" shall mean this resolution adopted by the Governor and Cabinet as the Governing Board of the Division of Bond Finance authorizing the issuance of the 1995 Bonds.

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

"State" shall mean the State of Florida.

"Term Bonds" shall mean the Bonds of a Series which shall be stated to mature on one date and for the amortization of which payments are required to be made into the Bond Amortization Account in the Sinking Fund, hereinafter created, as may be provided pursuant to a subsequent resolution of the Division of Bond Finance.

"University" shall mean 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 1995 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 1995 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 1995 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 Parking Facility Revenue Bonds, Series 1995" (or such other designation as may be approved by the Division), 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 to exceed Nine Million One Hundred Thousand Dollars ($9,100,000), for the purpose of financing the construction and equipping of the 1995 Project.

SECTION 2.02. DESCRIPTION OF BONDS. The Bonds shall be issued in fully registered form without coupons; shall be dated as determined pursuant to a subsequent resolution of the Division of Bond Finance; shall be numbered consecutively from one upward and shall be in the denomination of $5,000 each or any integral multiples thereof; shall bear interest at not exceeding the maximum rate permitted by law, payable on each Interest Payment Date, except for Capital Appreciation Bonds which shall bear interest as described under the defined term Accreted Value, payable only upon redemption, acceleration or maturity thereof; and shall mature on such dates in such years and amounts as shall be determined pursuant to a subsequent resolution adopted by the Division of Bond Finance on or prior to the sale of the Bonds.

The Bonds may be sold at one time or in Series from time to time as the Division of Bond Finance may determine by 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.

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 (the "Registered Owner") as of 5:00 p.m. (local time, Tallahassee, Florida) on the Record Date next preceding such Interest Payment Date by check or draft mailed (or transferred by a mode at least equally as rapid as mailing) from the Bond Registrar/Paying Agent to the Bondholder, except for Capital Appreciation Bonds which shall bear interest as described under the defined term Accreted Value, payable only upon redemption, acceleration or maturity thereof.

SECTION 2.03. BONDS MAY BE ISSUED AS SERIAL BONDS OR TERM BONDS. 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 shall be subject to redemption as provided in this Resolution and in the Notice of Bond Sale, 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 serial or other distinctive numbers or letters of the Bonds to be redeemed, if less than all, the date fixed for redemption, and 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 privilege of transfer or exchange of any of the Bonds is suspended during a period beginning at the opening of business on the 15th business day next preceding the date fixed for redemption and ending at the close of business on the date fixed for redemption.

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 cancelled 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, Midwest Securities Trust Company, Chicago, Illinois, 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, 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 Bondholder 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 Bondholder 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 2.07, 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 cancelled 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 cancelled 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 his 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 cancelled 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 2.10 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
APPLICATION OF PROCEEDS

SECTION 3.01. CONSTRUCTION OF THE 1995 PROJECT. The Board of Regents is authorized to cause the construction of the 1995 Project from the proceeds derived from the sale of the 1995 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 1995 BOND PROCEEDS. Upon receipt of the proceeds of the sale of the 1995 Bonds, and after reserving an amount sufficient to pay all costs and expenses incurred in connection with the preparation, issuance and sale of the 1995 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 1995 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 in 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 in the Sinking Fund, created by this Resolution, and used for the payment of interest on the 1995 Bonds.

(3) After making the transfers provided for in (1) and (2) above, the balance of the proceeds of the Bonds shall be transferred to and deposited into the 1995 Project Construction Fund, which is hereby created in the State Treasury, and used for the purposes of said 1995 Project Construction Trust Fund.

Any unexpended balance remaining in the 1995 Project Construction Fund, after a consulting architect shall certify that the 1995 Project has been completed and all costs thereof paid or payment provided for, shall be deposited in the Sinking Fund created by this Resolution.

In addition to the aforementioned proceeds of the 1995 Bonds, the Board of Regents covenants that it will deposit into the 1995 Project Construction Fund additional funds legally available for such purpose which, together with the proceeds of the 1995 Bonds, will be sufficient to finance the total 1995 Project Costs. Any such additional funds, other than the proceeds of the 1995 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 1995 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 Parity 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 1995 PROJECT CONSTRUCTION FUND. Any moneys in the 1995 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 as provided for in Section 6.01 of this Resolution and to be received under 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 PARKING SYSTEM REVENUES. (A) Upon collection the Parking System 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 account held by the State Treasurer. This separate account shall be known as the "Florida International University Parking System Revenue Fund" (hereinafter referred to as the "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 University Parking 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 which funds shall be deposited into the Bond Amortization Account which is hereby created;

(c) for the maintenance and establishment, if necessary, together with other moneys available for such purposes, of the Reserve Account, or sub-accounts therein, 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 remain in the Sinking Fund to be used for the purposes thereof.

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 one or more sub-accounts in the Reserve Account, a Reserve Account Credit Facility for the benefit of the Registered Owners for which such sub-account has been established, in an amount which, together with sums on deposit, equals the Reserve Requirement. The Reserve Account Credit Facility 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. In no event shall the use of such Reserve Account Credit Facility be permitted if it 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.

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 applicable sub-account in 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.

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.

The Board of Administration shall establish one or more specific sub-accounts in the Reserve Account. Each sub-account may be established for one or more Series of Bonds. Each sub-account shall be available only to cure deficiencies in the accounts in the Sinking Fund with respect to the Series of Bonds for which such sub-account has been established, and no amounts in the other sub-accounts in the Reserve Account shall be available for such purpose. Such separate sub-account shall be established and designated in the resolution authorizing such Series of Bonds. Such resolution may also specify the method of valuation of the amounts held in such separate sub-account.

Any moneys in a sub-account in the Reserve Account in excess of the amount required to be maintained therein shall first be used to cure any deficiency in any other sub-account in the Reserve Account and any remaining monies shall remain in the Sinking Fund; 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 Parking System Maintenance and Equipment Reserve Fund to be established by the University 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 Parking System Maintenance and Equipment Reserve Fund shall be as approved in the annual budget of the University pursuant to Section 8.11 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 Parking 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 Parking 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 Parking 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, Florida Statutes. 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 PARITY BONDS AND REFUNDING REQUIREMENTS

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

(A) The proceeds from such Additional Parity Bonds shall be used to acquire and construct capital additions or improvements to the Parking System.

(B) All previously authorized bonds shall have been issued and delivered, or authority for the issuance and delivery of any unissued portion thereof shall have been cancelled.

(C) The Board of Regents shall authorize the issuance of such Additional Parity Bonds.

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

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

(1) the average amount of Pledged Revenues from the two Fiscal Years immediately preceding the issuance of the proposed Additional Parity Bonds, and;

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

(F) The Board of Regents 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 this Resolution and the Board of Regents must be currently in compliance with the covenants and provisions of this Resolution and any supplemental resolution hereafter adopted for the issuance of Additional Parity Bonds, unless upon the issuance of such Additional Parity Bonds the Board of Regents will be in compliance with all such covenants and provisions.

(G)(1) The average 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 (E)(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 Parity Bonds then proposed to be issued;

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

(a) If the Board of Regents or the University, prior to the issuance of the proposed Additional Parity Bonds, shall have increased the rates, fees, rentals or other charges for the services or facilities of the Parking System, the average amount of Pledged Revenues for the two immediately preceding Fiscal Years prior to the issuance of said Additional Parity Bonds shall be adjusted to show the Pledged Revenues which would have been derived from the Parking System as if such increased rates, fees, rentals or other charges for the services or facilities of the Parking System had been in effect during all of such two preceding Fiscal Years.

(b) If the Board of Regents or the University shall have acquired or shall have contracted to acquire any privately or publicly owned existing parking facility, then the average amount of Pledged Revenues derived from the Parking System during the two immediately preceding Fiscal Years prior to the issuance of said Additional Parity 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 parking facility so acquired as if such existing parking facility had been a part of the Parking System during such two Fiscal Years. For the purposes of this paragraph, the revenues derived from said existing parking 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 parking facility from the gross revenues of said parking 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.

(c) Should the Board of Regents or the University be constructing or acquiring additions, extensions or improvements to the Parking System from the proceeds of such Additional Parity Bonds or from sources other than Additional Parity Bonds 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 when service is rendered, the average amount of Pledged Revenues for the two immediately preceding Fiscal Years prior to the issuance of such Additional Parity Bonds, as certified by the Board of Regents, shall be adjusted to show the Pledged Revenues estimated by the Board of Regents to be received from the users of the facilities to be financed, during the first twelve months of operation after completion of the construction or acquisition of said additions, extensions and improvements as if such rates, fees, rentals or other charges for such services or facilities had been in effect during all of such two Fiscal Years.

SECTION 5.02. REFUNDING BONDS. The Bonds originally issued pursuant to this Resolution then Outstanding, together with all Additional Parity Bonds theretofore 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 Section 5.01(G) of this Resolution shall not apply to the issuance of the 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 Parity 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.

SECTION 5.04. COMPLETION BONDS. The Board of Regents and the Division of Bond Finance may issue Additional Parity Bonds for the purpose of completing the project being financed by the 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 Bonds.

ARTICLE VI
COVENANTS

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 Rebate Amounts, if any, 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 Parking 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 Parking 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 fines, fees, rentals and other amounts charged all individuals being served by the facilities of the Parking 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 Parking System, and revise the same from time to time whenever necessary, so that the Parking 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) The Board of Regents will increase such fees, rentals or other charges as shall be necessary to comply with the provisions of subsection (A), provided that such increase will not result in a reduction of Parking System Revenues for the then current or any future Fiscal Year.

(C) Whenever in any year the amounts of Parking 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 increase 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 any deficiencies in prior years.

SECTION 6.04. COMPLIANCE WITH TAX REQUIREMENTS: REBATE FUND. (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 requirements contained in Section 103 and Part IV of Subchapter B of Chapter 1 of the Internal Revenue Code of 1986, as amended, and temporary, proposed or permanent implementing regulations promulgated thereunder (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 Parking System Revenues and any other legally available funds, at the times required pursuant to Section 148(f) of the Code, 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 (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 Rebate Year within thirty days after the end of such Rebate Year and within thirty days after the final maturity of each such Series of Bonds. On or before the expiration of each such thirty 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 in 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 Rebate 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 thirty days after the end of the fifth Rebate 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 thirty 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 in 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 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 ninety days after the end of each Fiscal Year, the University will prepare a financial statement of the Parking System for the preceding Fiscal Year, reflecting in reasonable detail the financial condition and record of operation of the Parking 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 Parking 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.

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. Nothing herein, however, shall be construed to grant to any Registered Owner of the Bonds any lien on the Parking 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. LEASE OF PARKING SYSTEM. The Board of Regents may lease, from time to time, to other tenants such portion or portions of the Parking System as are not needed by the Board of Regents, 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 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 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.

For purposes of this section, 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 Resolution may be amended, changed, modified and altered 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 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 this Resolution, (ix) 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 adversely affect the interests of the Registered Owners, and (x) to amend or modify any provisions of this Resolution so long as such amendment or modification does not 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 the Bonds in any one or more of the following ways:

(A) By paying the principal of and interest on the 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 the 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 said 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 the 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 said 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 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 said 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, 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. INSURANCE. The Board of Regents will carry such insurance on the Parking System as is required by the State or is ordinarily and customarily carried on similar systems as the Parking System 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 8.07. 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 $9,100,000), in the form, may bear interest at the lawful rate or rates payable on such dates (not to exceed five (5) 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 8.08. CAPITAL APPRECIATION BONDS. For the purposes of (i) receiving payment of the redemption price if a Capital Appreciation Bond is redeemed prior to maturity, or (ii) computing the amount of the Maximum Annual Debt Service and of Bonds held by the Registered Owner of a Capital Appreciation Bond in 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 8.09. 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 8.10. 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 8.11. 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 estimated Current Expenses of the University during the succeeding Fiscal Year and setting forth the amount to be deposited in the Parking System Maintenance and Equipment Reserve Fund. 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 Bondholder. The Board of Regents shall request sufficient funds in the annual budget adopted as required in this section to provide the payment of all Administrative Expenses, Current Expenses, and amounts required to be deposited in the Parking System Maintenance and Equipment Reserve Fund as set forth herein.

SECTION 8.12. 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 8.13. 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, be and the same are hereby repealed, revoked, and rescinded, but only to the extent of any such inconsistencies.

SECTION 8.14. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

ADOPTED on February 28, 1995.

A RESOLUTION (THE SECOND SUPPLEMENTAL RESOLUTION) AUTHORIZING THE ISSUANCE OF NOT EXCEEDING $26,905,000 STATE OF FLORIDA, FLORIDA BOARD OF EDUCATION, FLORIDA INTERNATIONAL UNIVERSITY PARKING FACILITY REVENUE BONDS, SERIES 2002, TO FINANCE THE CONSTRUCTION OF PARKING FACILITIES AT FLORIDA INTERNATIONAL UNIVERSITY, SUCH BONDS TO BE ISSUED PURSUANT TO THE TERMS AND CONDITIONS OF A RESOLUTION ADOPTED ON FEBRUARY 28, 1995 ENTITLED "A RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $9,100,000 STATE OF FLORIDA, BOARD OF REGENTS, FLORIDA INTERNATIONAL UNIVERSITY PARKING FACILITY REVENUE BONDS, SERIES 1995, ETC".; CANCELING THE AUTHORITY FOR THE UNISSUED PORTION OF THE STATE OF FLORIDA, BOARD OF REGENTS, FLORIDA INTERNATIONAL UNIVERSITY PARKING FACILITY REVENUE BONDS, SERIES 1999; PROVIDING FOR CERTAIN COVENANTS IN CONNECTION THEREWITH; AMENDING SECTIONS 1.02 AND 6.02 OF 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 ON BEHALF OF AND IN THE NAME OF THE FLORIDA BOARD OF EDUCATION.

ARTICLE I
DEFINITIONS, AUTHORITY AND FINDINGS

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 to the 2002 Bonds (as defined herein).

"1999 Bonds" means the $7,530,000 State of Florida, Board of Regents, Florida International University Parking Facility Revenue Bonds, Series 1999, dated October 1, 1999, issued by the Division of Bond Finance on November 23, 1999.

"1999 Project" means the parking facility constructed on the campus of the University with the proceeds of the 1999 Bonds.

"2002 Bonds" means the State of Florida, Florida Board of Education, Florida International University Parking Facility Revenue Bonds, Series 2002.

"2002 Project" means the construction of parking facilities (Parking Garages Three and Four) at Florida International University as previously approved by the Legislature, subject to any deletions, modifications, or substitutions deemed necessary and expedient and approved by resolution of the Board of Education. The 2002 Project was approved by the Board of Education on November 19/20, 2001.

"2002 Project Construction Fund" means a trust fund held by the State Treasurer in which shall be deposited the net proceeds of the 2002 Bonds and other available moneys for the construction of the 2002 Project.

"Board of Education" means the Florida Board of Education, a body corporate, established pursuant to Chapter 229, Florida Statutes, as amended, which corporate body was the recipient transferee of certain powers, duties, and existing contracts, of the Board of Regents, which latter board was abolished on July 1, 2001, by Section 3 of the Reorganization Act. On January 7, 2003, pursuant to Chapter 2002-387, Laws of Florida, the Board of Education will become the State Board of Education authorized by Article IX, Section 2 of the Florida Constitution.

"Board of Regents" means the Board of Regents of the Division of Universities of the State of Florida Department of Education, as originally created pursuant to the provisions of Chapter 240, Florida Statutes, and subsequently abolished by Section 3 of the Reorganization Act.

"Completion Bonds" means those bonds issued pursuant to Section 5.04 of the Original Resolution to pay the cost of completing the 2002 Project.

"Original Resolution" means the resolution adopted on February 28, 1995 by the Governor and Cabinet as the Governing Board of the Division of Bond Finance, as amended and supplemented from time to time, authorizing the issuance of the Bonds.

"Parking System" means the facilities enumerated in the Original Resolution, the 1999 Project and the 2002 Project.

"Project Costs" means the actual costs of the 2002 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 2002 Project; interest on the 2002 Bonds for a reasonable period after 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 Education necessary to the construction and placing in operation of the 2002 Project and the financing thereof.

"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.

"Reorganization Act" means Chapter 2001-170, Florida Statutes, which, *inter alia*, transferred the powers, duties, and existing contracts of the Board of Regents to the Board of Education.

"Second Supplemental Resolution" means this resolution authorizing the issuance of the 2002 Bonds.

"State Board of Education" means the corporate body identified in Article IX, Section 2 of the Florida Constitution as the state board of education. In accordance with Chapter 2002-387, Laws of Florida, effective January 7, 2003, the Florida Board of Education will become the State Board of Education and as such will be responsible for all existing bond obligations of the Florida Board of Education and its predecessor, the Board of Regents. By such law, the State Board of Education will have all powers necessary to carry out and effectuate the issuance of bonds pursuant to Article VII, Section 11(d), of the Florida Constitution.

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 215.57-215.83, Florida Statutes (the "State Bond Act"); Chapters 229, 240, and 243, Florida Statutes; , Chapter 2002-387, Laws of Florida; Section 5.01 of the Original Resolution; and other applicable provisions of law and is supplemental to the Original Resolution.

SECTION 1.03. FINDINGS. It is hereby found, determined, and declared as follows:

(A) The Board of Education is authorized to acquire, own, construct, operate, maintain, improve and extend public buildings and facilities for use by any of the several State universities, and to finance such improvements; and the Board of Education is further authorized to pay the principal of and interest on obligations issued on its behalf to finance the construction and acquisition of such improvements.

(B) The construction of the 2002 Project at the University is necessary, desirable and in the best interest of the University.

(C) The Board of Education adopted a resolution on November 19/20, 2001, requesting the Division of Bond Finance to take the necessary actions required for the issuance of the 2002 Bonds.

(D) The State at this time is without immediately available funds to make the capital outlay necessary for the construction of the 2002 Project.

(E) Pursuant to the State Bond Act, the Division of Bond Finance is authorized to issue the 2002 Bonds on behalf of the Board of Education to finance the 2002 Project.

(F) The 2002 Project shall be the construction of parking facilities substantially in accordance with the plans and specifications as may be approved by the Board of Education from time to time.

(G) As required by Article VII, Section 11(f) of the Florida Constitution, the Florida Legislature approved the 2002 Project during Special Session E of the 2002 Legislature in Section 11, Items 29 and 30 of Chapter 2002-394, Laws of Florida.

(H) The principal of and interest on the bonds to be issued pursuant to this Second Supplemental Resolution, and all of the reserve, sinking fund and other payments provided for herein, will be payable solely from the revenues accruing to and to be received by the Board of Education or the University in the manner provided by this Second Supplemental Resolution, consisting of the Pledged Revenues as hereinafter defined.

(I) The bonds to be issued pursuant to this Second Supplemental Resolution will be secured on a parity as to the lien on the Pledged Revenues with the Outstanding Bonds.

(J) The bonds to be issued pursuant to this Second Supplemental Resolution shall not constitute, directly or indirectly, a debt or a charge against the State of Florida or any political subdivision thereof, but shall be revenue bonds within the meaning of Article VII, Section 11(d), Florida Constitution, and shall be payable solely from funds derived directly from sources other than state tax revenues.

(K) The Division of Bond Finance, pursuant to the statutes and constitutional provisions herein cited, is authorized to issue the 2002 Bonds, on behalf of, and in the name of the Board of Education, subject to the terms, limitations and conditions contained in this Second Supplemental Resolution.

(L) Pursuant to Sections 215.59 and 215.64, Florida Statutes, the Division of Bond Finance is authorized to issue revenue bonds on behalf of state agencies payable from funds derived directly from sources other than state tax revenues, without the vote of electors in the manner provided by law.

(M) The Original Resolution, in Section 5.01 of Article V thereof, provides for the issuance of Additional Parity Bonds under the terms, restrictions and conditions provided therein.

SECTION 1.04. RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the acceptance by the Registered Owners of the 2002 Bonds, the Original Resolution as amended and supplemented by this Second Supplemental Resolution shall be and shall constitute a contract among the Division of Bond Finance, the Board of Education, the University, and such Registered Owners. The covenants and agreements to be performed by the Board of Education 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 2002 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 and this Second Supplemental Resolution.

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

SECTION 2.01. AUTHORIZATION OF 2002 BONDS. Subject and pursuant to the provisions of this Second Supplemental Resolution and the Original Resolution, fully registered revenue bonds of the Board of Education to be known as "State of Florida, Florida Board of Education, Florida International University Parking Facility Revenue Bonds, Series 2002" (or such other designation as may be provided by the Director of the Division) are hereby authorized to be issued by the Division of Bond Finance on behalf of the Board of Education in an aggregate principal amount not exceeding $26,905,000, for the purpose of financing the construction, furnishing and equipping of the 2002 Project as described herein.

SECTION 2.02. APPLICABILITY OF ARTICLE II OF THE ORIGINAL RESOLUTION. The description, terms, redemption, execution, negotiability, registration, transfer, authentication, disposition, replacement, issuance, and form of the 2002 Bonds shall be governed by the provisions of Article II of the Original Resolution.

ARTICLE III
APPLICATION OF PROCEEDS

SECTION 3.01. CONSTRUCTION OF THE 2002 PROJECT. The Board of Education is authorized to construct the 2002 Project from the proceeds of the sale of the 2002 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 2002 BOND PROCEEDS. (A) Upon receipt of the proceeds of the sale of the 2002 Bonds, and after reserving an amount sufficient to pay all costs and expenses incurred in connection with the preparation, issuance and sale of the 2002 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 2002 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 Board of Education, as provided in Section 4.02(A)(2) 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.

(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 2002 Bonds.

(3) After making the transfers provided for in subsections (1) and (2) above, the balance of the proceeds of the 2002 Bonds shall be transferred to and deposited into the 2002 Project Construction Fund, which is hereby created in the State Treasury.

Any unexpended balance remaining in the 2002 Project Construction Fund, after a consulting architect shall certify that the 2002 Project has been completed and all costs thereof paid or payment provided for, shall be deposited in the Sinking Fund created by the Original Resolution.

In addition to the aforementioned proceeds of the 2002 Bonds, the Board of Education covenants that it will deposit into the 2002 Project Construction Fund additional funds legally available for the purposes of such Fund which, together with the proceeds of the 2002 Bonds, will be sufficient to finance the total 2002 Project Costs. Any such additional funds, other than the proceeds of the 2002 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 Second Supplemental Resolution.

All moneys in said 2002 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 2002 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. All moneys in the 2002 Project Construction Fund 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 2002 PROJECT CONSTRUCTION FUND. Any moneys in the 2002 Construction Fund not immediately needed for the purposes provided in this Second Supplemental Resolution, may be temporarily invested and reinvested as provided in Section 18.10, Florida Statutes.

ARTICLE IV
SECURITY FOR THE 2002 BONDS;
COMPLETION BONDS

SECTION 4.01. 2002 BONDS ON A PARITY WITH THE OUTSTANDING BONDS. The 2002 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 2002 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 2002 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, 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 2002 Bonds.

SECTION 4.03. COMPLETION BONDS. The Board of Education 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 2002 Project Construction Fund for such costs shall be equal to or less than 20% of the original estimated cost of the 2002 Project at the time of the original issuance of the 2002 Bonds.

ARTICLE V
MISCELLANEOUS

SECTION 5.01. AMENDMENT OF ORIGINAL RESOLUTION. The Original Resolution is hereby amended as follows, effective upon compliance with the requirements of Section 8.02 of the Original Resolution. Language to be added to the Original Resolution is indicated by underlining, and language to be deleted from the Original Resolution is indicated by ~~strike-throughs~~.

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

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

. . .

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

. . .

"Parking System Revenues" shall mean all fees, rentals or other charges and income related to parking, received by the University from ~~the operation of~~ students, faculty members, and others using or being served by or having the right to use, or having the right to be served by, the Parking System, and all parts thereof, and specifically including, without limiting the generality of the foregoing, transportation access fees, parking decal ~~sales~~ fees, towing revenues, parking meter collections, parking fine revenues, ~~and~~ interest income, special rental fees and other charges for parking services or parking space provided by the University.

(B) Section 6.02 of the Original Resolution is hereby amended to simplify certain covenants regarding Pledged Revenues as follows:

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

. . .

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

(D) That it will continue to collect the ~~fines, fees, rentals and other amounts charged all individuals being served by the facilities of the~~ Parking System Revenues at the rates which are in effect at any particular time.

SECTION 5.02. 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 of Education may lease, from time to time, to other tenants such portion or portions of the Parking System as are not needed by the Board of Education, 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 5.03. MODIFICATION OR AMENDMENT. Modification or amendment hereof shall be governed by Section 8.02 of the Original Resolution.

SECTION 5.04. CONTINUING DISCLOSURE. (A) In order to comply with Rule 15c2-12 of the Securities and Exchange Commission, the Board of Education 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 of Education, 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 5.05. 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 issued hereunder 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 bonds issued hereunder.

SECTION 5.06. FISCAL AGENT. Upon the sale and delivery of the 2002 Bonds by the Division of Bond Finance on behalf of the Board of Education, the Board of Administration shall act as the fiscal agent for the Board of Education with respect to the 2002 Bonds.

SECTION 5.07. VALIDATION AUTHORIZED. The attorneys for the Division of Bond Finance are hereby authorized to institute proceedings to validate the 2002 Bonds pursuant to Chapter 75, Florida Statutes.

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 Parking Facility Revenue Bonds, Series 1999, is hereby canceled.

SECTION 5.09 CONFIRMATION OF ORIGINAL RESOLUTION. As supplemented by this Second Supplemental Resolution, the Original Resolution is in all respects ratified and confirmed, and this Second Supplemental Resolution shall be read, taken, and construed as a part of the Original Resolution.

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

ADOPTED on June 12, 2002.

A RESOLUTION OF THE DIVISION OF BOND FINANCE OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA AUTHORIZING THE SALE OF NOT EXCEEDING $26,905,000 STATE OF FLORIDA, FLORIDA BOARD OF EDUCATION, FLORIDA INTERNATIONAL UNIVERSITY PARKING FACILITY REVENUE BONDS, SERIES 2002; AMENDING THE ORIGINAL RESOLUTION WITH RESPECT TO BOND INSURERS; CANCELING PREVIOUSLY AUTHORIZED BUT UNISSUED BONDS; PROVIDING 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:

Section 1. The not exceeding $26,905,000 State of Florida, Florida Board of Education, Florida International University Parking Facility Revenue Bonds, Series 2002 (the "2002 Bonds") authorized by resolutions adopted by the Governor and Cabinet as the Governing Board of the Division of Bond Finance of the State Board of Administration of Florida (the "Division"), on February 18, 1995, (the "Original Resolution"), as supplemented and amended on June 12, 2002 (by the "Second Supplemental Resolution") (collectively, the "Resolution"), are hereby authorized to be sold at public sale on the date and at the time to be set out in the Notice of Bond Sale to be published as provided in this resolution. The designation of the 2002 Bonds may be changed at the discretion of the Director of the Division; such bonds may be sold and issued in one or more series, provided that, if sold in more than one series, the designation of each series (including a change of year designation, if desirable) shall be determined by the Director of the Division, and each series shall be numbered consecutively from one upwards. The 2002 Bonds may be sold separately or combined with any other Florida Board of Education bond issues authorized by the Governing Board to be sold.

Proposals for purchase of the 2002 Bonds will be received at the office of the Division, 1801 Hermitage Boulevard, Hermitage Centre, Suite 200, Tallahassee, Florida, or at another location designated in the Notice of Bond Sale, from the time that the Notice of Bond Sale is published until the time and date of sale specified or provided for in such Notice of Bond Sale.

Section 2. The Director of the Division is hereby authorized to determine the most advantageous date and time of sale and to publish the Notice of Bond Sale of the 2002 Bonds, or an abbreviated version thereof, in *The Bond Buyer*, New York, New York, 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 of the Division; 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 2002 Bonds may again be offered for sale upon reasonable notice, the timing and manner of which shall be determined by the Director of the Division. Any prior publication of a Notice of Bond Sale, or abbreviated version thereof, is hereby ratified.

Section 3. The Director of the Division is hereby authorized to publish and distribute the Notice of Bond Sale and a proposal for the sale of the 2002 Bonds. The Notice of Bond Sale shall be in such form as shall be determined by the Director of the Division and shall contain such information as required by applicable law. Any prior distribution of a Notice of Bond Sale and proposal for sale is hereby ratified.

Section 4. The Director of the Division is hereby authorized to prepare and distribute Preliminary and Final Official Statements in connection with the public offering of the 2002 Bonds. The Director of the Division 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 are hereby authorized to execute the Final Official Statement in connection with the public offering of the 2002 Bonds, and the execution thereof 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.

Section 5. The Director of the Division 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 2002 Bonds printed and distributed; to contract with national rating services; 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 2002 Bonds. Any prior printing and distribution of a Preliminary Official Statement is hereby ratified.

Section 6. The Secretary or any Assistant Secretary of the Governing Board is hereby authorized and empowered to award said 2002 Bonds when offered, on his or her 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 Assistant Secretary of the Division shall report such sale to this Board after award of the 2002 Bonds. The Director or Assistant Secretary of the Division are authorized to deliver such 2002 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 2002 Bonds as provided by the Resolution and other proceedings authorizing the issuance of the 2002 Bonds.

Section 7. The 2002 Bonds shall be executed in the name of the Florida Board of Education by its Chairman, and attested to by its Secretary, or, in either case, by such other person authorized by the Florida Board of Education, and the corporate seal of the Florida Board of Education or a facsimile thereof may 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 Florida Board of Education 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.

Section 8. Until definitive obligations are ready for delivery, there may be executed and delivered to the purchasers, in lieu of definitive obligations and subject to the same limitations and conditions, one or more temporary 2002 Bonds, in one or more denominations totaling the aggregate principal amount of the 2002 Bonds to be issued, maturing in installments and bearing interest with respect to each installment, in substantially the same tenor as otherwise herein authorized for the 2002 Bonds, and with such omissions, insertions and variations as may be required. If temporary obligations are issued, the definitive obligations will be prepared and executed and, upon presentation of temporary obligations, the Director of the Division shall provide for cancellation of the temporary obligations and deliver to the holders thereof definitive obligations of an equal aggregate principal amount, bearing appropriate characteristics as herein authorized and as sold to the purchasers thereof. Until so exchanged, the temporary obligations shall in all respects be entitled to the same benefit and security as the definitive obligations. Interest and principal installments on the temporary obligations, when due and payable, if the definitive obligations are not then ready for exchange, shall be paid upon presentation of the temporary obligations to the Registrar/Paying Agent, and notation of such payment shall be endorsed thereon. The temporary obligations shall be in such form and denominations as shall be determined by the Director of the Division, and shall be executed by the officers who will execute the definitive obligations, which execution is hereby authorized.

Section 9. State Street Bank and Trust Company, N.A., is hereby designated as bond registrar and paying agent for the 2002 Bonds on the terms and conditions set forth in the Registrar, Paying Agent and Transfer Agreement by and between the State Board of Administration of Florida and State Street Bank and Trust Company, N.A.

Section 10. The Interest Payment Dates and the Principal Payment Dates for the 2002 Bonds shall be as set forth in the Notice of Bond Sale.

Section 11. The 2002 Bonds shall be dated, shall mature in such years and amounts and shall be subject to redemption as set forth in the Notice of Bond Sale, a copy of which, as published, shall be retained in the files of the Division with this resolution. In no event, however, shall the principal amount of the 2002 Bonds exceed $26,905,000. The 2002 Bonds shall be payable at the corporate trust office of State Street Bank and Trust Company, N.A., New York, New York, or its successors.

Section 12. Amounts deposited into the Reserve Account attributable to the 2002 Bonds may be commingled with the amounts therein for other bonds or certificates which are on a parity with the 2002 Bonds and shall be held for the benefit of the Registered Owners of the 2002 Bonds and such other bonds or may be held in a separate subaccount for the benefit of only the Registered Owners of the 2002 Bonds.

The reserve requirement with respect to the 2002 Bonds shall be the amount necessary to make the amount on deposit in the Reserve Account equal to the lesser of (1) the Maximum Debt Service Requirement with respect to the 2002 Bonds and all other bonds secured by the Reserve Account securing the 2002 Bonds, or (2) the maximum amount permitted under applicable provisions of the Code. The deposit to the Reserve Account made with respect to the 2002 Bonds shall be funded with proceeds of the 2002 Bonds or a Reserve Account Credit Facility (as provided for in the Resolution), or some combination thereof, as determined by the Director of the Division.

Section 13. The Director of the Division is hereby authorized to offer for sale a lesser principal amount of 2002 Bonds than that set forth in this resolution and to adjust the maturity schedule and redemption provisions for the 2002 Bonds, if necessary, to reflect the issuance of such lesser amount, and to modify the Notice of Bond Sale as may be required.

Section 14. The Director of the Division is authorized to provide in the Notice of Bond Sale of the 2002 Bonds that the purchase price for the 2002 Bonds may include a discount of not to exceed 3% excluding original issue discount, if any, of the aggregate principal amount of such 2002 Bonds offered for sale.

Section 15. The Chairman and Secretary and any Assistant Secretary of the Governing Board and the Director of the Division, and such other officers and employees of the Division as may be designated by this Board as agents of the Division in connection with the issuance and delivery of the 2002 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 2002 Bonds.

Section 16. That, notwithstanding anything contained in the Resolution to the contrary, it is the intent of the Governing Board that interest on the 2002 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 the 2002 Bonds, or any series thereof, 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 2002 Bonds and each series thereof to comply with such requirements of federal tax law.

Section 17. In order to clarify the rights of the issuer of a Bond Insurance Policy with respect to the Bonds, the Original Resolution is hereby amended as follows. Language to be added to the Original Resolution is underlined; language to be deleted from the Original Resolution is ~~stricken-through~~.

(A) The definition of "

> **"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 September 10, 2002, shall be deemed the sole 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, including any rating modifiers, by each Rating Agency which has rated such Bonds.

(C) Section 8.05 of the Original Resolution is amended by adding Subsection (G) thereto, to read as follows:

> **SECTION 8.05 DEFEASANCE.**
>
> . . . .
>
> (G) Notwithstanding the foregoing, the covenant, 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 18. As amended by this resolution, the Original Resolution is in all respects ratified and confirmed.

Section 19. All prior or concurrent resolutions or parts of resolutions inconsistent with this resolution are hereby amended by this resolution, including the Notice of Bond Sale, but only to the extent of any such inconsistency.

Section 20. In accordance with Section 5.01(B) of the Original Resolution, all previously granted authority to issue State of Florida, Florida International University Parking Facility Revenue Bonds is hereby canceled, except for the authority to issue not exceeding $26,905,000 State of Florida, Florida International University Parking Facility Revenue Bonds, Series 2002, which was granted on June 12, 2002.

Section 21. In order to comply with Rule 15c2-12 of the Securities and Exchange Commission, the Florida Board of Education hereby agrees to provide or cause to be provided such information as may be required, from time to time, under such rule.

The Director of the Division, in conjunction with the appropriate officer of the Florida Board of Education, 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.

Section 22. This resolution shall take effect immediately.

ADOPTED on September 10, 2002.

APPENDIX E

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

A RESOLUTION
(THE THIRD SUPPLEMENTAL RESOLUTION)
AUTHORIZING THE ISSUANCE OF
NOT EXCEEDING $32,000,000
STATE OF FLORIDA, BOARD OF GOVERNORS,
FLORIDA INTERNATIONAL UNIVERSITY PARKING FACILITY REVENUE BONDS
SERIES 2009A

September 15, 2009

A RESOLUTION (THE THIRD SUPPLEMENTAL RESOLUTION) AUTHORIZING THE ISSUANCE OF NOT EXCEEDING $32,000,000 STATE OF FLORIDA, BOARD OF GOVERNORS, FLORIDA INTERNATIONAL UNIVERSITY PARKING FACILITY REVENUE BONDS, SERIES 2009A; PROVIDING FOR CERTAIN COVENANTS IN CONNECTION WITH SAID ISSUANCE; 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, AUTHORITY AND FINDINGS

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 Series 1995 Bonds, the Series 1999 Bonds, the Series 2002 Bonds, and the Series 2009A Bonds (as such terms are hereinafter defined).

"1999 Project" means the parking facility constructed on the campus of the University with the proceeds of the Series 1999 Bonds.

"2002 Project" means the parking facility constructed on the campus of the University with the proceeds of the Series 2002 Bonds.

"2009A Project" means the construction of a parking garage on the Miami campus of the Florida International University, as approved by the Board of Governors, subject to any deletions, modifications or substitutions deemed necessary and expedient and approved by resolution of the Board of Governors.

"2009A Project Construction Fund" means a trust fund held in the State Treasury in which shall be deposited the net proceeds of the Series 2009A Bonds and other available moneys for the construction of the 2009A Project.

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

"Board of Governors" means the Florida Board of Governors, 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 2009A Project.

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

"Original Resolution" means the resolution adopted on February 28,1995 by the Governor and Cabinet as the Governing Board of the Division of Bond Finance authorizing the issuance of the Series 1995 Bonds, as amended by the Second Supplemental Resolution and the Series 2002 Bonds Sale Resolution.

"**Parity Bonds**" means the Series 1995 Bonds, the Series 1999 Bonds, the Series 2002 Bonds, the Series 2009A Bonds and subsequent series of Bonds issued on a parity therewith in accordance with Section 5.01 of the Original Resolution.

"Parking System" means the facilities enumerated in the Original Resolution, the 1999 Project, the 2002 Project, and the 2009A Project.

"Project Costs" means the actual costs of the 2009A 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 2009A Project; interest on the 2009A Bonds for a reasonable period after 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 Governors necessary to the construction and placing in operation of the 2009A Project and the financing thereof.

"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 the resolution adopted on June 12, 2002 by the Governor and Cabinet as the Governing Board of the Division of Bond Finance authorizing the issuance of the Series 2002 Bonds and amending the Original Resolution.

"Series 1995 Bonds" means the $7,780,000 State of Florida, Board of Regents, Florida International University Parking Facility Revenue Bonds, Series 1995.

"Series 1999 Bonds" means the $7,530,000 State of Florida, Board of Regents, Florida International University Parking Facility Revenue Bonds, Series 1999.

"Series 2002 Bonds" means the $22,915,000 State of Florida, Florida Board of Education, Florida International University Parking Facility Revenue Bonds, Series 2002.

"Series 2002 Bonds Sale Resolution" means the resolution adopted on September 10, 2002 by the Governor and Cabinet as the Governing Board of the Division of Bond Finance authorizing the sale of the Series 2002 Bonds and amending the Original Resolution.

"Series 2009A Bonds" means the not exceeding $32,000,000 State of Florida, Board of Governors, Florida International University Parking Facility Revenue Bonds, Series 2009A authorized by this Third Supplemental Resolution.

"Third Supplemental Resolution" means this resolution authorizing the issuance of the Series 2009A 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 Third Supplemental Resolution is adopted pursuant to the provisions of Article VII, Sections 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; the Original Resolution; and any other applicable laws, and constitutes a resolution authorizing bonds pursuant to the State Bond Act.

SECTION 1.03. FINDINGS. It is hereby found, determined, and declared as follows:

(A) The Board of Governors is authorized to acquire, own, construct, operate, maintain, improve and extend public buildings and facilities for use by any of the several State universities, and to finance such improvements; and the Board of

Governors is further authorized to pay the principal of and interest on obligations issued on its behalf to finance the construction and acquisition of such improvements.

(B) The construction of the 2009A Project at the University is necessary, desirable and in the best interest of the University.

(C) The Board of Governors has adopted a resolution on June 18, 2009, requesting the Division of Bond Finance to take the necessary actions required for the issuance of the State of Florida, Board of Governors, Florida International University Parking Facility Revenue Bonds, Series 2009A.

(D) The State at this time is without immediately available funds to make the capital outlay necessary for the construction of the 2009A Project.

(E) Pursuant to the State Bond Act, the Division of Bond Finance is authorized to issue, on behalf of the Board of Governors, the Series 2009A Bonds to finance the 2009A Project.

(F) The 2009A Project shall be the construction of a parking garage substantially in accordance with the plans and specifications as may be approved by the Board of Governors from time to time.

(G) As required by Article VII, Section 11(f) of the Florida Constitution, the Florida Legislature has approved the 2009A Project pursuant to Section 1010.62(7), Florida Statutes.

(H) The principal of and interest on the Series 2009A Bonds, and all of the reserve, sinking fund and other payments provided for herein, will be payable solely from the Pledged Revenues accruing to and to be received by the Board of Governors or the University in the manner provided by the Original Resolution and this Third Supplemental Resolution.

(I) The Series 2009A Bonds will be secured on a parity as to the lien on the Pledged Revenues with the Series 1995 Bonds, the Series 1999 Bonds, the 2002 Bonds, and any additional parity bonds, when and if issued.

(J) The Series 2009A Bonds shall not constitute, directly or indirectly, a debt or a charge against the State of Florida or any political subdivision thereof, but shall be revenue bonds within the meaning of Article VII, Section 11(d), Florida Constitution, and shall be payable solely from funds derived directly from sources other than state tax revenues.

(K) Pursuant to the statutes and constitutional provisions herein cited, including Sections 215.59, 215.64, and 215.79, Florida Statutes, the Division of Bond Finance is authorized to issue the Series 2009A Bonds, subject to the terms, limitations and conditions contained in this Third Supplemental Resolution.

(L) Pursuant to Sections 215.59 and 215.64, Florida Statutes, the Division of Bond Finance is authorized to issue revenue bonds on behalf of state agencies payable from funds derived directly from sources other than state tax revenues, without the vote of electors in the manner provided by law.

(M) The Original Resolution, in Section 5.01 of Article V thereof, provides for the issuance of the Parity Bonds under the terms, restrictions and conditions provided therein.

SECTION 1.04. RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the acceptance of the Series 2009A Bonds by the Registered Owners, this Third Supplemental Resolution and the Original Resolution shall be deemed to be and shall constitute a contract among the Division of Bond Finance, 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 Series 1995 Bonds, the Series 1999 Bonds, the Series 2002 Bonds, and the Series 2009A 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 in the Original Resolution and this Third Supplemental Resolution.

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

SECTION 2.01. AUTHORIZATION OF SERIES 2009A BONDS. Subject and pursuant to the provisions of this Third Supplemental Resolution and 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 Parking Facility Revenue Bonds, Series 2009A" (or such other designation as may be determined by the Director), are hereby authorized to be issued by the Division of Bond Finance on behalf of the Board of Governors in an aggregate principal amount not exceeding $32,000,000, for the purpose of financing the construction, furnishing and equipping of the 2009A Project as described herein. Such bonds may be sold and issued in one or more series, and in combination with other Florida International University Parking Facility Revenue Bonds; provided that the actual designation of any series of such bonds, whether sold in one or more than one series (including a change of year designation, if desirable), and whether such bonds or any portion thereof are to be taxable or tax-exempt, shall be determined by the Director of the Division (the "Director").

SECTION 2.02. APPLICABILITY OF ARTICLE II OF THE ORIGINAL RESOLUTION. The terms, description, negotiability, redemption, registration, transfer, authentication, disposition, replacement, and issuance of the Series 2009A Bonds shall be governed by the provisions of Article II of the Original Resolution, adjusted to the extent necessary to apply to the Series 2009A Bonds, except as otherwise provided in this Third Supplemental Resolution. The form of the Series 2009A Bonds shall be governed by this Third Supplemental Resolution. The text of the Series 2009A Bonds may contain such provisions, specifications and descriptive words not inconsistent with the provisions of this Third Supplemental Resolution as may be necessary or desirable to comply with custom, the rules of any securities exchange or commission or brokerage board, or otherwise, or to comply with applicable laws, rules and regulations of the United States and the State, all as may be determined by the Director prior to the delivery thereof.

SECTION 2.03. EXECUTION OF THE SERIES 2009A BONDS. The Series 2009A Bonds shall be executed in the name of the Board of Governors by its Chairman and attested to by its Vice-Chairman, or such other member of the Board of Governors as may be designated pursuant to subsequent resolution of the Governing Board of the Division of Bond Finance, and the corporate seal of the Board of Governors or a facsimile thereof shall be affixed thereto or reproduced thereon. The Bond Registrar/Paying Agent's certificate of authentication shall appear on the Series 2009A Bonds, signed by an authorized signatory of said Bond Registrar/Paying Agent. Any of the signatures required hereinabove may be a facsimile signature imprinted or reproduced on the Series 2009A Bonds, provided that at least one signature required shall be manually subscribed. In case any one or more of the officers who shall have signed or sealed any of the Series 2009A Bonds shall cease to be such officer of the Board of Governors before the Series 2009A Bonds so signed and sealed shall have been actually sold and delivered, the Series 2009A Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Series 2009A Bonds had not ceased to hold such office. Any Series 2009A Bond may be signed and sealed on behalf of the Board of Governors by such person as to the actual time of the execution of such Series 2009A Bond shall hold the proper office, although at the date of such Series 2009A Bond, such person may not have held such office or may not have been so authorized.

A certificate as to the approval of the issuance of the Series 2009A Bonds pursuant to the provisions of the State Bond Act, shall be executed by the facsimile signature of the Secretary or an Assistant Secretary of the Governing Board.

SECTION 2.04. FORM OF SERIES 2009A BONDS.

(A) Notwithstanding anything to the contrary in the Original Resolution or this Third Supplemental Resolution, or any other resolution relating to the Series 2009A Bonds (for the purposes of this section, collectively, the "Resolution"), the Series 2009A 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 Series 2009A 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 Series 2009A Bonds are issued in book-entry only form:

(1) The Series 2009A Bonds shall be issued in the name of the Securities Depository as Registered Owner of the Series 2009A Bonds, and held in the custody of the Securities Depository or its designee.

(2) Transfers of beneficial ownership of the Series 2009A 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 Series 2009A Bonds. Beneficial ownership interests in the Series 2009A 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 Series 2009A 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 Series 2009A Bonds. Transfers of ownership interests in the Series 2009A 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 Series 2009A Bonds registered in its name for the purposes of

(a) payment of the principal of, premium, if any, and interest on the Series 2009A 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 Series 2009A Bonds; and

(ii) a certificate of any such Participant as to the identity of, and the respective principal amount of Series 2009A 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 Series 2009A 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 Series 2009A 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 Series 2009A 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 Series 2009A 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 Series 2009A Bonds to produce the same effect. Any provision hereof permitting or

requiring delivery of the Series 2009A Bonds shall, while the Series 2009A 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 Series 2009A Bonds in the form of fully registered bonds to each Beneficial Owner.

ARTICLE III
APPLICATION OF PROCEEDS

SECTION 3.01. CONSTRUCTION OF THE 2009A PROJECT. The Board of Governors is authorized to construct the 2009A Project from the proceeds of the sale of the Series 2009A Bonds and other legally available funds, subject to the provisions of this Third Supplemental Resolution and the applicable laws of Florida.

SECTION 3.02. APPLICATION OF SERIES 2009A BOND PROCEEDS. (A) Upon receipt of the proceeds of the sale of the Series 2009A Bonds, and after reserving an amount sufficient to pay all costs and expenses incurred in connection with the preparation, issuance and sale of the Series 2009A Bonds, including a reasonable charge for the Division of Bond Finance's services, the Division of Bond Finance shall transfer and deposit the remainder of the Series 2009A 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 Board of Governors, as provided in Section 4.02(A)(2)(c) 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 applicable sub-account in 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 Series 2009A Bonds.

(3) After making the transfers provided for in subsections (1) and (2) above, the balance of the proceeds of the Series 2009A Bonds shall be transferred to and deposited into the 2009A Project Construction Fund, which is hereby created in the State Treasury.

Any unexpended balance remaining in the 2009A Project Construction Fund, after a consulting architect shall certify that the 2009A Project has been completed and all costs thereof paid or payment provided for, shall be deposited in the Sinking Fund created by the Original Resolution.

All moneys in said 2009A 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 Series 2009A Bonds issued pursuant to this Third 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 2009A PROJECT CONSTRUCTION FUND. Any moneys in the 2009A Construction Fund not immediately needed for the purposes provided in this Third Supplemental Resolution, may be temporarily invested and reinvested as provided in Section 17.57, Florida Statutes.

SECTION 3.04. REIMBURSEMENT OF CONSTRUCTION COSTS. Expenditures for the construction and equipping of the 2009A Project which are incurred by the University from the date hereof may be reimbursed from the proceeds of the Series 2009A Bonds. The expenditures will be reimbursed from the 2009A Project Construction Fund.

ARTICLE IV
SECURITY FOR THE SERIES 2009A BONDS; COMPLETION BONDS

SECTION 4.01. SERIES 2009A BONDS ON A PARITY WITH THE SERIES 1995 BONDS, SERIES 1999 BONDS, AND SERIES 2002 BONDS. The Series 2009A 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 Series 1995 Bonds, Series 1999 Bonds, and Series 2002 Bonds.

SECTION 4.02. BONDS SECURED BY ORIGINAL RESOLUTION. The Series 2009A Bonds shall be deemed to have been issued pursuant to the Original Resolution as fully and to the same extent as the Series 1995 Bonds, Series 1999 Bonds, and Series 2002 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 Series 2009A Bonds as fully and to the same extent as the Registered Owners of the Series 1995 Bonds, Series 1999 Bonds, and Series 2002 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 Third Supplemental Resolution to the same extent as if incorporated verbatim in this Third Supplemental Resolution, and shall be fully enforceable in the manner provided in the Original Resolution by any of the Registered Owners of the Series 2009A Bonds.

SECTION 4.03. COMPLETION BONDS. The Board of Governors 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 2009A Project Construction Fund for such costs shall be equal to or less than 20% of the original estimated cost of the 2009A Project at the time of the original issuance of the Series 2009A Bonds.

ARTICLE V
MISCELLANEOUS AND AMENDMENT OF ORIGINAL RESOLUTION

SECTION 5.01. RESOLUTION NOT ASSIGNABLE. This Third 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 of Governors may lease, from time to time, to other tenants such portion or portions of the Parking System as are not needed by the Board of Governors, to the extent that any such lease would not adversely affect 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 of Governors 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 of Governors, 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 Third 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 Third 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 Third Supplemental Resolution or of the Series 2009A Bonds issued hereunder.

SECTION 5.05. FISCAL AGENT. Upon the sale and delivery of the Series 2009A Bonds by the Division of Bond Finance 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 Series 2009A Bonds.

SECTION 5.06. VALIDATION AUTHORIZED. The attorneys for the Division of Bond Finance are hereby authorized to institute proceedings to validate the Series 2009A Bonds pursuant to Chapter 75, Florida Statutes, if validation is deemed to be necessary or desirable by the Division.

SECTION 5.07. REPEAL OF INCONSISTENT RESOLUTIONS. All resolutions and parts of resolutions heretofore adopted pertaining to the subject matter of this Third Supplemental Resolution, to the extent that they are inconsistent with this Third 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 any previously authorized State of Florida, Florida International University Parking Facility Revenue Bonds is hereby canceled.

SECTION 5.08. SUCCESSOR AGENCIES AND OFFICIALS. Any references in the Original Resolution or this Third Supplemental 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 5.09. CONFIRMATION OF ORIGINAL RESOLUTION. As amended and supplemented by this Third Supplemental Resolution, the Original Resolution is in all respects ratified and confirmed, and this Third Supplemental Resolution shall be read, taken, and construed as a part of the Original Resolution.

SECTION 5.10. 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~~ <u>the Board of Governors created by Article IX, Section 7 of the Florida Constitution, and includes any other entity succeeding to the powers thereof</u>.

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

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

ADOPTED on September 15, 2009.

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APPENDIX F

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

A RESOLUTION
(THE FOURTH SUPPLEMENTAL RESOLUTION)
AUTHORIZING THE ISSUANCE OF
NOT EXCEEDING $33,500,000
STATE OF FLORIDA, BOARD OF GOVERNORS,
FLORIDA INTERNATIONAL UNIVERSITY PARKING FACILITY REVENUE BONDS
SERIES 2013A

April 23, 2013

A RESOLUTION (THE FOURTH SUPPLEMENTAL RESOLUTION) AUTHORIZING THE ISSUANCE OF NOT EXCEEDING $33,500,000 STATE OF FLORIDA, BOARD OF GOVERNORS, FLORIDA INTERNATIONAL UNIVERSITY PARKING FACILITY REVENUE BONDS, SERIES 2013A; PROVIDING FOR CERTAIN COVENANTS IN CONNECTION WITH SAID ISSUANCE; CANCELING THE AUTHORITY FOR UNISSUED PREVIOUSLY AUTHORIZED BONDS; AUTHORIZING THE REDEMPTION OF THE STATE OF FLORIDA, BOARD OF REGENTS, FLORIDA INTERNATIONAL UNIVERSITY PARKING FACILITY REVENUE BONDS, SERIES 1995; 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 AND FINDINGS

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 Series 1995 Bonds, the Series 1999 Bonds, the Series 2002 Bonds, the Series 2009A&B Bonds, and the Series 2013A Bonds (as such terms are hereinafter defined).

"1999 Project" means the parking facility constructed on the campus of the University with the proceeds of the Series 1999 Bonds.

"2002 Project" means the parking facility constructed on the campus of the University with the proceeds of the Series 2002 Bonds.

"2009A&B Project" means the parking facility constructed on the campus of the University with the proceeds of the Series 2009A&B Bonds.

"2013A Project" means the construction of a parking garage on the Miami campus of Florida International University, as approved by the Board of Governors, subject to any deletions, modifications or substitutions deemed necessary and expedient and approved by resolution of the Board of Governors.

"2013A Project Construction Fund" means a trust fund held in the State Treasury in which shall be deposited the net proceeds of the Series 2013A Bonds and other available moneys for the construction of the 2013A Project.

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

"Board of Governors" or "Board" shall mean 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 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 2013A Project.

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

"Fourth Supplemental Resolution" means this resolution authorizing the issuance of the Series 2013A Bonds.

"Original Resolution" means the resolution adopted on February 28,1995, by the Governor and Cabinet as the Governing Board of the Division of Bond Finance authorizing the issuance of the Series 1995 Bonds, as amended by the Second Supplemental Resolution, the Series 2002 Bonds Sale Resolution, and the Third Supplemental Resolution.

"**Parity Bonds**" means the Series 1995 Bonds, the Series 1999 Bonds, the Series 2002 Bonds, the Series 2009A&B Bonds and subsequent series of Bonds issued on a parity therewith in accordance with Section 5.01 of the Original Resolution.

"Parking System" means the facilities enumerated in the Original Resolution, the 1999 Project, the 2002 Project, and the 2009A&B Project, and the 2013A Project.

"Project Costs" means the actual costs of the 2013A 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 2013A Project; interest on the 2013A Bonds for a reasonable period after 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 Governors necessary to the construction and placing in operation of the 2013A Project and the financing thereof.

"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 the resolution adopted on June 12, 2002, by the Governor and Cabinet as the Governing Board of the Division of Bond Finance authorizing the issuance of the Series 2002 Bonds and amending the Original Resolution.

"Series 1995 Bonds" means the $7,780,000 State of Florida, Board of Regents, Florida International University Parking Facility Revenue Bonds, Series 1995.

"Series 1999 Bonds" means the $7,530,000 State of Florida, Board of Regents, Florida International University Parking Facility Revenue Bonds, Series 1999.

"Series 2002 Bonds" means the $22,915,000 State of Florida, Florida Board of Education, Florida International University Parking Facility Revenue Bonds, Series 2002.

"Series 2002 Bonds Sale Resolution" means the resolution adopted on September 10, 2002, by the Governor and Cabinet as the Governing Board of the Division of Bond Finance authorizing the sale of the Series 2002 Bonds and amending the Original Resolution.

"Series 2009A&B Bonds" means the $32,000,000 State of Florida, Board of Governors, Florida International University Parking Facility Revenue Bonds, Series 2009A&B.

"Series 2013A Bonds" means the not exceeding $33,500,000 State of Florida, Board of Governors, Florida International University Parking Facility Revenue Bonds, Series 2013A, approved by this Fourth Supplemental Resolution.

"Third Supplemental Resolution" means the resolution adopted on September 15, 2009, by the Governor and Cabinet as the Governing Board of the Division of Bond Finance authorizing the issuance of the Series 2009A&B Bonds and amending the Original Resolution.

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, Sections 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; the Original Resolution; and any other applicable laws, and constitutes a resolution authorizing bonds pursuant to the State Bond Act.

SECTION 1.03. FINDINGS. It is hereby found, determined, and declared as follows:

(A) The Board of Governors is authorized to acquire, own, construct, operate, maintain, improve and extend public buildings and facilities for use by any of the several State universities, and to finance such improvements; and the Board of Governors is further authorized to pay the principal of and interest on obligations issued on its behalf to finance the construction and acquisition of such improvements.

(B) The construction of the 2013A Project at the University is necessary, desirable and in the best interest of the University.

(C) The Board of Governors adopted a resolution on March 28, 2013, requesting the Division of Bond Finance to take the necessary actions required for the issuance of the State of Florida, Board of Governors, Florida International University Parking Facility Revenue Bonds, Series 2013A.

(D) The State at this time is without immediately available funds to make the capital outlay necessary for the construction of the 2013A Project.

(E) Pursuant to the State Bond Act, the Division of Bond Finance is authorized to issue, on behalf of the Board of Governors, the Series 2013A Bonds to finance the 2013A Project.

(F) The 2013A Project shall be the construction of a parking garage substantially in accordance with the plans and specifications as may be approved by the Board of Governors from time to time.

(G) As required by Article VII, Section 11(f) of the Florida Constitution, the Florida Legislature has approved the 2013A Project pursuant to Section 1010.62(7), Florida Statutes.

(H) The principal of and interest on the Series 2013A Bonds, and all of the reserve, sinking fund and other payments provided for herein, will be payable solely from the Pledged Revenues accruing to and to be received by the Board of Governors or the University in the manner provided by the Original Resolution and this Fourth Supplemental Resolution.

(I) The Series 2013A Bonds will be secured on a parity as to the lien on the Pledged Revenues with the Series 1995 Bonds, the Series 1999 Bonds, the Series 2002 Bonds, the Series 2009A&B Bonds and any additional parity bonds, when and if issued.

(J) The Series 2013A Bonds shall not constitute, directly or indirectly, a debt or a charge against the State of Florida or any political subdivision thereof, but shall be revenue bonds within the meaning of Article VII, Section 11(d), Florida Constitution, and shall be payable solely from funds derived directly from sources other than state tax revenues.

(K) Pursuant to the statutes and constitutional provisions herein cited, including Sections 215.59, 215.64, and 215.79, Florida Statutes, the Division of Bond Finance is authorized to issue the Series 2013A Bonds, subject to the terms, limitations and conditions contained in this Fourth Supplemental Resolution.

(L) Pursuant to Sections 215.59 and 215.64, Florida Statutes, the Division of Bond Finance is authorized to issue revenue bonds on behalf of state agencies payable from funds derived directly from sources other than state tax revenues, without the vote of electors in the manner provided by law.

(M) The Original Resolution, in Section 5.01 of Article V thereof, provides for the issuance of the Parity Bonds under the terms, restrictions and conditions provided therein.

SECTION 1.04. RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the acceptance of the Series 2013A Bonds by the Registered Owners, this Fourth Supplemental Resolution and the Original Resolution shall be deemed to be and shall constitute a contract among the Division of Bond Finance, 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 Series 1995 Bonds, the Series 1999 Bonds, the Series 2002 Bonds, the Series 2009A&B Bonds, and the Series 2013A 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 in the Original Resolution and this Fourth Supplemental Resolution.

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

SECTION 2.01. AUTHORIZATION OF SERIES 2013A BONDS. Subject and pursuant to the provisions of this Fourth Supplemental Resolution and 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 Parking Facility Revenue Bonds, Series 2013A" (or such other designation as may be determined by the Director), are hereby authorized to be issued by the Division of Bond Finance on behalf of the Board of Governors in an aggregate principal amount not exceeding $33,500,000, for the purpose of financing the construction, furnishing and equipping of the 2013A Project as described herein. Such bonds may be sold and issued in one or more series, and in combination with other Florida International University Parking Facility Revenue Bonds; provided that the actual designation of any series of such bonds, whether sold in one or more than one series (including a change of year designation, if desirable), and whether such bonds or any portion thereof are to be taxable or tax-exempt, shall be determined by the Director of the Division (the "Director").

SECTION 2.02. APPLICABILITY OF ARTICLE II OF THE ORIGINAL RESOLUTION. The terms, description, negotiability, redemption, registration, transfer, authentication, disposition, replacement, and issuance of the Series 2013A Bonds shall be governed by the provisions of Article II of the Original Resolution, adjusted to the extent necessary to apply to the Series 2013A Bonds, except as otherwise provided in this Fourth Supplemental Resolution. The form of the Series 2013A Bonds shall be governed by this Fourth Supplemental Resolution. The text of the Series 2013A Bonds may contain such provisions, specifications and descriptive words not inconsistent with the provisions of this Fourth Supplemental Resolution as may be necessary or desirable to comply with custom, the rules of any securities exchange or commission or brokerage board, or otherwise, or to comply with applicable laws, rules and regulations of the United States and the State, all as may be determined by the Director prior to the delivery thereof.

SECTION 2.03. EXECUTION OF THE SERIES 2013A BONDS. The Series 2013A Bonds shall be executed in the name of the Board of Governors by its Chairman and attested to by its Vice-Chairman, or such other member of the Board of Governors as may be designated pursuant to subsequent resolution of the Governing Board of the Division of Bond Finance, and the corporate seal of the Board of Governors or a facsimile thereof shall be affixed thereto or reproduced thereon. The Bond Registrar/Paying Agent's certificate of authentication shall appear on the Series 2013A Bonds, signed by an authorized signatory of said Bond Registrar/Paying Agent. Any of the signatures required hereinabove may be a facsimile signature imprinted or reproduced on the Series 2013A Bonds, provided that at least one signature required shall be manually subscribed. In case any one or more of the officers who shall have signed or sealed any of the Series 2013A Bonds shall cease to be such officer of the Board of Governors before the Series 2013A Bonds so signed and sealed shall have been actually sold and delivered, the Series 2013A Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Series 2013A Bonds had not ceased to hold such office. Any Series 2013A Bond may be signed and sealed on behalf of the Board of Governors by such person as to the actual time of the execution of such Series 2013A Bond shall hold the proper office, although at the date of such Series 2013A Bond, such person may not have held such office or may not have been so authorized.

A certificate as to the approval of the issuance of the Series 2013A Bonds pursuant to the provisions of the State Bond Act, shall be executed by the facsimile signature of the Secretary or an Assistant Secretary of the Governing Board.

SECTION 2.04. FORM OF SERIES 2013A BONDS.

(A) Notwithstanding anything to the contrary in the Original Resolution or this Fourth Supplemental Resolution, or any other resolution relating to the Series 2013A Bonds (for the purposes of this section, collectively, the "Resolution"), the Series 2013A 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 Series 2013A 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 Series 2013A Bonds are issued in book-entry only form:

(1) The Series 2013A Bonds shall be issued in the name of the Securities Depository as Registered Owner of the Series 2013A Bonds, and held in the custody of the Securities Depository or its designee.

(2) Transfers of beneficial ownership of the Series 2013A 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 Series 2013A Bonds. Beneficial ownership interests in the Series 2013A 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 Series 2013A 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 Series 2013A Bonds. Transfers of ownership interests in the Series 2013A 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 Series 2013A Bonds registered in its name for the purposes of

(a) payment of the principal of, premium, if any, and interest on the Series 2013A 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 Series 2013A Bonds; and

(ii) a certificate of any such Participant as to the identity of, and the respective principal amount of Series 2013A 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 Series 2013A 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 Series 2013A 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 Series 2013A 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 Series 2013A 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 Series 2013A Bonds to produce the same effect. Any provision hereof permitting or requiring delivery of the Series 2013A Bonds shall, while the Series 2013A 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 Series 2013A Bonds in the form of fully registered bonds to each Beneficial Owner.

ARTICLE III
APPLICATION OF PROCEEDS

SECTION 3.01. CONSTRUCTION OF THE 2013A PROJECT. The Board of Governors is authorized to construct the 2013A Project from the proceeds of the sale of the Series 2013A Bonds and other legally available funds, subject to the provisions of this Fourth Supplemental Resolution and the applicable laws of Florida.

SECTION 3.02. APPLICATION OF SERIES 2013A BOND PROCEEDS. (A) Upon receipt of the proceeds of the sale of the Series 2013A Bonds, and after reserving an amount sufficient to pay all costs and expenses incurred in connection with the preparation, issuance and sale of the Series 2013A Bonds, including a reasonable charge for the Division of Bond Finance's services, the Division of Bond Finance shall transfer and deposit the remainder of the Series 2013A 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 Board of Governors, as provided in Section 4.02(A)(2)(c) 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 applicable sub-account in 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 Series 2013A Bonds.

(3) After making the transfers provided for in subsections (1) and (2) above, the balance of the proceeds of the Series 2013A Bonds shall be transferred to and deposited into the 2013A Project Construction Fund, which is hereby created in the State Treasury.

Any unexpended balance remaining in the 2013A Project Construction Fund, after a consulting architect shall certify that the 2013A Project has been completed and all costs thereof paid or payment provided for, shall be deposited in the Sinking Fund created by the Original Resolution.

All moneys in said 2013A 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 Series 2013A Bonds issued pursuant to this Fourth 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 2013A PROJECT CONSTRUCTION FUND. Any moneys in the 2013A Construction Fund not immediately needed for the purposes provided in this Fourth Supplemental Resolution, may be temporarily invested and reinvested as provided in Section 17.57, Florida Statutes.

SECTION 3.04. REIMBURSEMENT OF CONSTRUCTION COSTS. Expenditures for the construction and equipping of the 2013A Project which are incurred by the University from the date hereof may be reimbursed from the proceeds of the Series 2013A Bonds. The expenditures will be reimbursed from the 2013A Project Construction Fund.

ARTICLE IV
SECURITY FOR THE SERIES 2013A BONDS; COMPLETION BONDS

SECTION 4.01. SERIES 2013A BONDS ON A PARITY WITH THE SERIES 1995 BONDS, SERIES 1999 BONDS, SERIES 2002 BONDS, AND SERIES 2009A&B BONDS. The Series 2013A 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 Series 1995 Bonds, Series 1999 Bonds, Series 2002 Bonds, and Series 2009A&B Bonds.

SECTION 4.02. BONDS SECURED BY ORIGINAL RESOLUTION. The Series 2013A Bonds shall be deemed to have been issued pursuant to the Original Resolution as fully and to the same extent as the Series 1995 Bonds, Series 1999 Bonds, Series 2002 Bonds, and Series 2009A&B 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 Series 2013A Bonds as fully and to the same extent as the Registered Owners of the Series 1995 Bonds, Series 1999 Bonds, Series 2002 Bonds, and Series 2009A&B 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 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 by any of the Registered Owners of the Series 2013A Bonds.

SECTION 4.03. COMPLETION BONDS. The Board of Governors 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 2013A Project Construction Fund for such costs shall be equal to or less than 20% of the original estimated cost of the 2013A Project at the time of the original issuance of the Series 2013A Bonds.

ARTICLE V
MISCELLANEOUS

SECTION 5.01. RESOLUTION NOT ASSIGNABLE. This Fourth 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 of Governors may lease, from time to time, to other tenants such portion or portions of the Parking System as are not needed by the Board of Governors, to the extent that any such lease would not adversely affect 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 of Governors 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 of Governors, 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 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 Series 2013A Bonds issued hereunder.

SECTION 5.05. FISCAL AGENT. Upon the sale and delivery of the Series 2013A Bonds by the Division of Bond Finance 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 Series 2013A Bonds.

SECTION 5.06. VALIDATION AUTHORIZED. The attorneys for the Division of Bond Finance are hereby authorized to institute proceedings to validate the Series 2013A Bonds pursuant to Chapter 75, Florida Statutes, if validation is deemed to be necessary or desirable by the Division.

SECTION 5.07. REPEAL OF INCONSISTENT RESOLUTIONS. All resolutions and parts of resolutions heretofore adopted pertaining to the subject matter of this Fourth Supplemental Resolution, to the extent that they are inconsistent with this Fourth 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 any previously authorized State of Florida, Florida International University Parking Facility Revenue Bonds is hereby canceled.

SECTION 5.08. SUCCESSOR AGENCIES AND OFFICIALS. Any references in the Original Resolution or this Fourth Supplemental 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 5.09. 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 5.10. REDEMPTION OF SERIES 1995 BONDS. The State of Florida, Board of Regents, Florida International University Parking Facility Revenue Bonds, Series 1995, are hereby authorized to be redeemed by the Division of Bond Finance with cash provided by University.

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

ADOPTED on April 23, 2013.

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APPENDIX G

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

A RESOLUTION
(THE FIFTH SUPPLEMENTAL RESOLUTION)
AUTHORIZING THE ISSUANCE AND SALE OF
STATE OF FLORIDA, BOARD OF GOVERNORS,
FLORIDA INTERNATIONAL UNIVERSITY
PARKING FACILITY REVENUE REFUNDING BONDS,
SERIES 2013 (TO BE DETERMINED)

April 23, 2013

A RESOLUTION (THE FIFTH SUPPLEMENTAL RESOLUTION) AUTHORIZING THE ISSUANCE AND SALE OF STATE OF FLORIDA, BOARD OF GOVERNORS, FLORIDA INTERNATIONAL UNIVERSITY PARKING FACILITY REVENUE REFUNDING BONDS, SERIES 2013 (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).

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

"Board of Governors" or "Board" shall mean 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 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.

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

"Fifth Supplemental Resolution" means this resolution authorizing the issuance of the Refunding Bonds.

"Original Resolution" means the resolution adopted on February 28,1995, by the Governor and Cabinet as the Governing Board of the Division of Bond Finance authorizing the issuance of the Series 1995 Bonds, as amended by the Second Supplemental Resolution, the Series 2002 Bonds Sale Resolution, and the Third Supplemental Resolution.

"**Outstanding Bonds**" means the Series 1995 Bonds, the Series 1999 Bonds, the Series 2002 Bonds, and the Series 2009A&B Bonds.

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

"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 Parking Facility Revenue Bonds, Series 1999, and the Outstanding State of Florida, Florida Board of Education, Florida International University Parking Facility Revenue Bonds, Series 2002.

"Refunding Bonds" means the State of Florida, Board of Governors, Florida International Parking Facility Revenue Refunding Bonds, Series 2013 (to be determined) authorized by this Fifth Supplemental Resolution.

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

"Series 1995 Bonds" means the $7,780,000 State of Florida, Board of Regents, Florida International University Parking Facility Revenue Bonds, Series 1995.

"Series 1999 Bonds" means the $7,530,000 State of Florida, Board of Regents, Florida International University Parking Facility Revenue Bonds, Series 1999.

"Series 2002 Bonds" means the $22,915,000 State of Florida, Florida Board of Education, Florida International University Parking Facility Revenue Bonds, Series 2002.

"Series 2009A&B Bonds" means the $32,000,000 State of Florida, Board of Governors, Florida International University Parking Facility Revenue Bonds, Series 2009A&B.

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 Fifth 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, 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 of Bond Finance, 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, as amended and supplemented through the date of this Fifth 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 of Governors to be known as "State of Florida, Board of Governors, Florida International University Parking Facility Revenue Refunding Bonds, Series 2013 (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 of Bond Finance in an aggregate principal amount not exceeding $18,000,000 on a date and at the time to be determined by the Director. The Refunding Bonds shall be sold to refund all or a portion of the Refunded Bonds. The Refunding Bonds may be combined with, designated the same as, and sold with any other series of Florida International University Parking Facility Revenue Bonds. The maturities or portions of maturities to be refunded shall be as determined by the Director to be in the best financial interest of the State. The redemption of the Refunded Bonds on or after their first call date is hereby authorized.

(B) The Director is hereby authorized to determine the most advantageous date and time of sale and to provide notice pursuant to applicable law of such sale, at a time and in such manner as determined by the Director to be appropriate to provide adequate notice to potential bidders; 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, or if all bids received are rejected, such Refunding Bonds may again be offered for sale upon reasonable notice, the timing and manner of which shall be determined by the Director. Bids for the purchase of the Refunding Bonds will be received at the office of the Division or at another location designated in the Notice of Bond Sale, until the time and date of sale determined by the Director.

(C) The Director is hereby authorized to publish and distribute a Notice of Bond Sale and a proposal for the sale of the Refunding Bonds. The Notice of Bond Sale shall be in such form as shall be determined by the Director and shall contain such information as is consistent with the terms of the Resolution which the Director determines is in the best financial interest of the State. Any prior publication or distribution of a Notice of Bond Sale, or abbreviated version thereof, 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 Fifth 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 Fifth 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 Fifth 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 Fifth 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 Fifth 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 Fifth 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 Fifth Supplemental Resolution to the same extent as if incorporated verbatim in this Fifth 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 Fifth 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 Parking 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 of Governors hereby 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 of Governors, 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 Fifth 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 Fifth 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 Fifth 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 of Bond Finance on behalf of the Board or 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 AND CANCELLATION OF PRIOR ISSUANCE AUTHORITY. All prior or concurrent resolutions or parts of resolutions inconsistent with this Fifth Supplemental Resolution are hereby amended by this Fifth Supplemental Resolution, but only to the extent of any such inconsistency. The authority for the issuance and delivery of the unissued portion of any bonds previously authorized pursuant to the Original Resolution, as amended and supplemented, is hereby canceled.

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 Fifth Supplemental Resolution, the Original Resolution is in all respects ratified and confirmed, and this Fifth Supplemental Resolution shall be read, taken, and construed as a part of the Original Resolution.

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

ADOPTED on April 23, 2013.

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FLORIDA INTERNATIONAL UNIVERSITY[1]
Miami, Florida

Introduction and Brief History

Florida International University ("FIU" or the "University") is a multi-campus public research university offering a broad array of undergraduate, graduate, and professional programs. Its colleges and schools offer more than 180 bachelor's, master's, and doctoral degree programs in fields such as engineering, international relations, architecture, law and medicine. It has 169,000 alumni and enrolls approximately 50,000 across two campuses - the 342-acre Modesto A. Maidique campus in western Miami-Dade County - plus centers in downtown Miami, South Beach, and Pembroke Pines. More than 11,000 degrees are awarded annually. FIU is the largest university in South Florida and the seventh largest public university in the United States based upon Fall 2012 student enrollment data.

Chartered by the Florida Legislature in 1965, FIU opened its doors in 1972 to the largest opening-day enrollment in the history of American higher education. Initially a two-year, upper-division school with limited graduate programs, FIU added lower-division classes in 1981 and received authority to begin offering degree programs at the doctoral level in 1984. Ninety-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/High Research Activity. FIU's annual research expenditures are approximately $108 million.

Committed to both high quality and access, FIU meets the educational needs of full-time and part-time undergraduate and graduate students, and lifelong learners. Reflecting the vibrant ethnic diversity of South Florida, more than 85 percent of FIU students are Hispanic, black, or other minorities. FIU takes pride in the impact its graduates make upon the nation and the world.

Alumni. The University's 169,000 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 65% (110,000 alumni) remaining in South Florida.

Economic Impact. The University has approximately 5,120 employees (4,339 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 $1.2 billion. The University has an estimated economic impact of over $2.4 billion on the South Florida economy.

Accreditation and Memberships. The University is an accredited member of the Southern Association of Colleges and Schools (SACS). The professional programs of the University's respective schools are accredited, approved by the appropriate professional associations, or are pursuing full professional accreditation approval. All academic programs of the University are approved by the State Board of Education and the Board of Governors.

The University is also an affiliate member of the American Council of Education, the Association of Upper Level Colleges and Universities, the American Association of State Colleges and Universities, the Association of Public and Land-Grant Universities, and numerous other educational and professional associations.

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

University Officials

Dr. Mark B. Rosenberg	President
Dr. Douglas Wartzok	Provost, Executive V.P. & Chief Operating Officer
Dr. Kenneth A. Jessell	Senior V.P. of Administration & Chief Financial Officer
Mr. Howard R. Lipman	Senior V.P., University Advancement; President & CEO, FIU Foundation Inc.
Mr. Pete Garcia	Executive Director of Sports & Entertainment
Dr. Andres G. Gil	Vice President of Sponsored Research
Mrs. Sandra B. Gonzalez-Levy	Senior V.P. of External Relations
Dr. Jaffus Hardrick	Vice President of Human Resources
Dr. Larry Lunsford	Vice President of Student Affairs
Ms. M. Kristina Raattama	General Counsel
Dr. John Rock	Senior V.P. of Medical Affairs; Founding Dean, Herbert Wertheim College of Medicine
Mr. Steve A. Sauls	Vice President of Governmental Relations
Dr. Luisa Havens	Vice President of Enrollment Services
Dr. Irma Becerra - Fernandez	Vice President of Engagement
Ms. Terry Witherell	Vice President of External Relations
Mr. Robert Grillo	Vice President of Information Technology & Chief Information Officer
Javier I. Marques	Chief of Staff to the President

Governance

Effective January 7, 2003, a statewide Board of Governors was created pursuant to Article IX, Section 7(d), of the Florida Constitution to operate, regulate, control and be fully responsible for the management of the University System. The Board of Governors defines the mission of each university and ensures the well-planned coordination and operation of the 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 thirteen members. The Boards of Trustees were created pursuant to Article IX, Section 7(c), of the Florida Constitution. The Governor appoints six citizen members and the Board of Governors appoints five citizen members. These members are confirmed by the Senate and serve staggered 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 the rules of the Board of Governors. The university president serves as the executive officer and corporate secretary of the Trustees and is responsible for all operations of the university. Other senior administrative officers of the universities are designated by the president. Generally, the Provost/Vice President for Academic Affairs assumes responsibility for the president during any absence and is the chief academic officer in the university organization. Other vice presidents have responsibility for specific areas within the organization. The deans of colleges and schools are responsible to the Provost for all matters relating to programs and personnel in their respective academic units.

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The establishment of individual University Board of Trustees has increased the individual institutions' control of academic and fiscal affairs. Under this structure, the universities are no longer state agencies, but rather are autonomous state-supported public corporations. While the exact structure of the system continues to evolve, certain of the changes provide the individual universities with greater fiscal autonomy and financial control.

Budget. Each university has control over its own budget, once State funds have been received. The Florida Legislature retains control of the appropriations process.

Tuition. The universities have been granted certain powers with regard to setting tuition and the right to retain their own tuition revenues instead of sending them to the State for redistribution. However, tuition-setting power for in-state students remains largely in the hands of the Legislature, with lawmakers determining the maximum allowable tuition increase and universities setting the tuition within those limits. The University's ability to set and collect certain student service fees provides a meaningful offset to limitations regarding tuition.

Bonding Authority. Bond-issuing authority is retained by the State of Florida Division of Bond Finance; the University can borrow through affiliated foundations 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. The 342-acre Modesto A. Maidique Campus 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); Miami Beach Urban Studios; and the Pines Center (West Broward County). In addition, the University has a major research facility, the Frost Museum on the Modesto A. Maidique Campus, and the Wolfsonian FIU, a museum located in historic South Beach that houses a collection of art and design. The University has 78 major buildings totaling approximately eight million square feet. The Modesto A Maidique Campus has 51 major buildings, which include two five-story parking garages, three six-story parking garages, a residential apartment complex, six residence halls, a football stadium, a baseball stadium, and an athletic arena that includes a gymnasium. The Biscayne Bay Campus has 16 major buildings, an Olympic-type aquatic center, and an apartment-style building to house students.

The 2000 legislature approved a College of Law at the University (Chapter 2000-259, Laws of Florida), the first such public college in the state south of Gainesville, Florida. The College of Law opened in Fall 2002 and received provisional accreditation from the American Bar Association in August 2004; permanent accreditation was given in Spring 2006.

The Florida Legislature and Florida Board of Governors authorized FIU's College of Medicine in March 2006, in response to a regional shortage of physicians; the need for better access to medical education and patient care; and the need to reduce health disparities in the community. The College of Medicine opened in Fall 2009 following the Liaison Committee on Medical Education's (LCME) preliminary accreditation. The College of Medicine received LCME's provisional accreditation in June 2011 and its full accreditation in February 2013.

The Board of Regents approved the formation of a football program in Spring 2001. The University's football team played in a temporary stadium built in 1995. In 2005, the NCAA approved FIU's application to play Division 1-A. The University opened a permanent stadium in Fall 2008 on the Modesto A Maidique campus. In Fall 2012, the stadium's capacity was expanded approximately 25,000 seats.

Between 2004 and 2010, the new Frost Museum, College of Law, Marine Biology, Graduate School of Business and Lakeview Housing Buildings, College of Nursing & Health Sciences, SIPA/Social Sciences and the PG5 Market Station buildings were completed. The University has begun construction on various building projects expected to be completed over the next five years. Construction is in progress for: the Stocker Astro-Science Center, a Satellite Chiller Plant, a Science Classroom Complex, the Stempel College of Public Health and Social Work Center, the Mixed Use College of Business Building, and a student housing facility. Planning and design is underway for the Student Academic Support Center, Ambulatory Care Center Complex, and a proposed parking garage with retail space.

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. Many of these projects will be funded with Public Education Capital Outlay ("PECO") funds appropriated by the Legislature. Various other funding sources (general revenue, capital improvement fee trust fund, private funds, bond proceeds, etc.) provide resources to finance the remainder of the capital improvement projects.

Current Capital Improvement Projects[1]
as of February 5, 2013

Project Name	Public Education Capital Outlay	Other Funding	Total Project Costs
Stocker Astro-Science Center	$1,875,000	$1,789,317	$3,664,317
Satellite Chiller Plant	7,610,000		7,610,000
Science Classroom Complex	55,669,664	2,093,745	57,763,409
Robert Stempel College of Public Health & Social Work	38,300,000	6,563,143	44,863,143
Housing - 2013	2,000,000	52,105,661	54,105,661
Mixed Use College of Business Building		35,703,111	35,703,111
Student Academic Support Center	20,146,976	4,500,000	24,646,976
Ambulatory Care Center		10,040,500	10,040,500
Parking Garage (PG6)	-	42,576,562	42,576,562
Total	**$125,601,640**	**$155,372,039**	**$280,973,679**

[1] Projects are in construction or design phase and reflect approved PECO funding. Amounts are estimates and are subject to change.

The following table lists the University's five-year capital improvement plan in priority level.

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

PECO	Project Name	2014	2015	2016	2017	2018	Total Requested
		Request per Fiscal Years Ended June 30					
1	Facilities Infr./Capital Renewal	$10,500,000	$10,500,000	$10,500,000	$10,500,000	$10,500,000	$52,500,000
2	Student Academic Support Center	7,853,025					7,853,025
3	Strategic Land Acquisition	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	10,000,000
4	Satellite Chiller Plant Expansion	7,000,000					7,000,000
5	Humanities Ctr., (Arts & Sciences)	23,370,000	6,000,000				29,370,000
6	Rem./Ren. of existing Educ. Space		20,000,000	8,000,000			28,000,000
7	Green Library Addition		13,500,000	26,000,000	6,250,000		45,750,000
8	Classroom/Office, (Academic III)		3,385,000	15,400,000	6,215,000		25,000,000
9	Grad. School of Business, Phase II		2,710,000	14,000,000	10,000,000	5,290,000	32,000,000
10	Science Laboratory Complex				29,750,000	21,250,000	51,000,000
11	Rem./Ren. Student Acad. Support				20,500,000	2,500,000	23,000,000
12	Rem./Ren. Academic Data Center				12,775,000	7,557,500	20,332,500
13	Engineering Building				1,000,000	11,500,000	12,500,000
14	Training Complex				1,200,000	13,200,000	14,400,000
15	Honors College				2,000,000	25,000,000	27,000,000
16	Social Science, Phase II				10,500,000	12,000,000	22,500,000
Total PECO		**$50,723,025**	**$58,095,000**	**$75,900,000**	**$112,690,000**	**$110,797,500**	**$408,205,525**
Capital Improvement Trust Fund							
1	Graham University Center	$7,500,000					7,500,000
2	Recreation Center Expansion	$7,500,000					7,500,000
3	WUC Renovations	$2,900,000					2,900,000
Total CITF		**$17,900,000**	**$0**	**$0**	**$0**	**$0**	**$17,900,000**
Total PECO & CITF		**$68,623,025**	**$58,095,000**	**$75,900,000**	**$112,690,000**	**$110,797,500**	**$426,105,525**

Budgetary Process

The University's operating budget is comprised of the following budget categories: Education and General, Auxiliary Enterprises, Intercollegiate Athletics, Concessions, Student Activities, Contracts and Grants, Student Financial Aid, Self Insurance Program and Faculty Practice.

Educational and General. The University receives an allocation of educational and general resources from the Florida Legislature, which is developed in accordance with the General Appropriations Act, the Implementing Legislation Bill, the Legislative Appropriations Work Papers and the Letter of Intent. The University president approves the general guidelines for the allocation of educational and general resources at the University level. Within the president's guidelines and the guidelines provided by the Board of Trustees, an allocation is made to each vice-president for the functional areas under his/her direction. In coordination with the Office of Financial Planning and the Division of Administration and Finance, a distribution is made by account/department.

Auxiliary Enterprises, Intercollegiate Athletics and Concessions. Vice presidents and the Office of Financial Planning prepare operating budget requests for these activities based on anticipated revenues. The Office of Financial Planning then coordinates the vice presidents' presentations and justifications for annual budget requests as required and finalizes them based on the Board of Trustees' guidelines. Budget revisions as required by the president are incorporated in the requests.

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

Student Activities. This budget consists of planned expenditures 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 Section 1009.24(8) and (9)(a)(b), Florida Statutes.

Contracts and Grants. This budget consists of estimated expenditures supported by various private businesses as well as federal, state and local units of government.

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

Self Insurance Program. This budget consists of estimated expenditures related to the administration of the University's Medical Self Insurance Program. Expenditures include costs associated with risk/claims management, annual auditing fees and annual actuarial reports.

Faculty Practice. This budget consists of estimated expenditures related to the University's Medical Faculty Practice Plan. Expenditures are for practice personnel, incremental start up costs and practice operations.

Based on the guidelines provided by the Board of Governors, the University submits all budgets to the Board of Trustees for approval. Approved budgets are released for expenditures to the University. All of the colleges/campuses of the University submit budget requests for additional resources annually to the Office of Financial Planning. Any new State resources are allocated to the University according to the priorities set by the president, as are any University-wide reductions. A comparison of the operating budget of the University is included below for Fiscal Years 2008-09 through 2012-13.

Operating Budget

Budget Entity	2008-09	2009-10	2010-11	2011-12	2012-13
Educational and General	$339,554,177	$348,318,947	$382,295,648	$381,103,698	$385,180,140
Auxiliary Enterprises	106,034,788	116,539,136	119,503,390	140,330,571	183,478,576
Contracts and Grants	84,860,573	88,974,849	94,982,558	89,111,164	94,683,008
Student Activities	5,715,391	5,941,043	6,771,922	7,625,524	9,325,880
Intercollegiate Athletics	19,567,264	20,231,424	21,022,184	22,642,020	24,240,409
Campus Concessions	452,309	334,616	505,352	547,508	720,362
Student Financial Aid/Loans	75,178,190	87,722,529	113,964,617	139,590,711	161,634,498
Technology Fee	-	5,720,218	8,211,340	8,634,982	8,528,472
Self Insurance	-	79,000	78,579	260,000	469,834
Board Approved Fees	-	-	-	510,000	510,000
Faculty Practice	-	137,000	123,490	1,246,836	249,853
Total	$631,362,692	$673,998,762	$747,459,080	$791,603,014	$869,021,032

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	**2008**	**2009**	**2010**	**2011**	**2012**
Student Tuition and Fees, Net	19.7%	21.8%	22.3%	22.6%	26.6%
State Appropriations and ARRA Funds	40.1%	38.3%	32.7%	30.9%	26.2%
Federal Contracts, Grants and Gifts	10.0%	10.1%	9.6%	9.3%	9.6%
Private Contracts, Grants and Gifts	1.6%	1.2%	1.4%	1.3%	1.3%
Other Government Contracts, Grants & Gifts	1.7%	1.2%	1.4%	1.6%	1.0%
Federal and Student Financial Aid	9.8%	11.0%	12.4%	14.9%	15.1%
Auxiliary Enterprises	14.3%	15.1%	14.7%	14.7%	15.7%
Net Investment Income	1.0%	-1.3%	3.7%	3.2%	1.2%
Other Sources	1.8%	2.6%	1.8%	1.5%	3.3%
Total Current Fund Sources	100.0%	100.0%	100.0%	100.0%	100.0%

Tuition and Fees. The following table lists the registration, tuition and local fees charged to each undergraduate student per credit hour for the current and past four academic years.

Registration, Tuition and Local Fees for UNDERGRADUATE Students per Credit Hour

Registration and Tuition Fees	**2008-09**	**2009-10**	**2010-11**	**2011-12**	**2012-13**
In-State Students:					
Matriculation Fee	$ 82.03	$ 88.59	$ 95.67	$ 103.32	$ 103.32
Tuition Differential[2]	6.96	13.74	22.00	32.00	52.29
Building Fee[3]	2.32	2.32	2.32	2.32	-
Student Financial Aid Fee	4.10	4.42	4.78	5.16	5.16
Capital Improvement Trust Fund Fee	2.44	2.44	2.44	2.44	6.76
In-State Subtotal	$97.85	$111.51	$127.21	$145.24	$167.53
Out-of-State Students					
(in addition to the above fees):					
Tuition	$393.62	$393.62	$393.62	$393.62	$393.62
Supplemental Student Financial Aid Fee	19.68	19.68	19.68	19.68	19.68
Out-of-State Subtotal	$511.15	$524.81	$540.51	$558.54	$580.63
Local Fees[4]					
Activity & Service Fee	$10.52	$11.60	$11.60	$11.60	$12.87
Technology Fee[5]	-	4.42	4.78	5.16	5.16
Athletic Fee	14.51	14.51	14.51	15.56	16.10
Local Fees Subtotal	$25.03	$30.53	$30.89	$32.32	$34.13
Total In-State Tuition and Fees (per credit hour)	$ 122.88	$ 142.04	$ 158.10	$ 177.56	$201.66
Total Out-of-State Tuition and Fees (per credit hour)	$ 536.18	$ 555.34	$ 571.40	$ 590.86	$614.96
Per Student Flat Fee[6]					
Athletic Fee	$ 10.00	$ 10.00	$ 10.00	$ 10.00	$ 10.00
Health Fee	67.20	67.20	83.19	83.19	83.19
Transportation Access Fee	77.00	77.00	81.00	81.00	88.94
Total Per Term	$ 154.20	$ 154.20	$ 174.19	$ 174.19	$182.13

[1] Sourced from the University's Financial Statements. Numbers may not add due to rounding.
[2] Differential tuition applicable only to students admitted after Fall 2007 and not in the Florida Prepaid Program.
[3] Building Fee combined with CITF Fee in Fiscal Year 2012-13.
[4] Local Fees and flat fees are assessed to both in-state and out-of-state students in addition to the registration and tuition fees. These fees are tax-free with the exception of the Transportation Access Fee which is not shown with the 1.8% sales tax.
[5] Technology Fee approved for uses which enhance instructional technology.
[6] Flat Fees are per student per term (fall, spring, summer).

The following table lists the registration, tuition and local fees charged to each graduate student per credit hour for the current and past four academic years.

Registration, Tuition and Local Fees for GRADUATE Students per Credit Hour

Registration and Tuition Fees	**2008-09**	**2009-10**	**2010-11**	**2011-12**	**2012-13**
In-State Students:					
Matriculation Fee	$256.05	$281.65	$309.81	$334.59	$351.31
Building Fee[1]	2.32	2.32	2.32	2.32	-
Student Financial Aid Fee	12.80	14.08	15.49	16.72	17.56
Capital Improvement Trust Fund Fee	2.44	2.44	2.44	2.44	6.76
In-State Subtotal	$273.61	$300.49	$330.06	$356.07	$375.63
Out-of-State Students *(in addition to the above fees):*					
Tuition	$480.08	$480.08	$480.08	$480.08	$480.08
Supplemental Student Financial Aid Fee	24.00	24.00	24.00	24.00	24.00
Out-of-State Subtotal	$777.69	$804.57	$834.14	$860.15	$879.71
Local Fees[2]					
Activity & Service Fee	$10.52	$11.60	$11.60	$11.60	$12.87
Technology Fee[3]	-	14.08	15.49	16.72	17.56
Athletic Fee	14.51	14.51	14.51	15.56	16.10
Local Fees Subtotal	$25.03	$40.19	$41.60	$43.88	$46.53
Total In-State Tuition and Fees (per credit hour)	$298.64	$340.68	$371.66	$399.95	$422.16
Total Out-of-State Tuition and Fees (per credit hour)	$802.72	$844.76	$875.74	$904.03	$926.24
Per Student Flat Fee[4]					
Athletic Fee	$10.00	$10.00	$10.00	$10.00	$10.00
Health Fee	67.20	67.20	83.19	83.19	83.19
Transportation Access Fee	77.00	77.00	81.00	81.00	88.94
Total Per Term	$154.20	$154.20	$174.19	$174.19	$182.13

History of General Revenue Appropriations. The following table sets forth the history of General Revenue appropriations available to the University. General Revenue appropriations are primarily funded from Florida's sales tax.

History of General Revenue Appropriations

Fiscal Year	**University General Revenue**	**College of Medicine General Revenue**	**Educational Enhancement/ Lottery**	**Tuition**	**Total**
2008-09	$192,058,644	$11,465,084	$23,558,423	$133,662,788	$360,744,939
2009-10	160,640,361	21,410,785	21,082,081	139,653,118	342,786,345
2010-11	164,684,070	25,210,077	24,187,023	167,651,215	381,732,385
2011-12	141,854,175	26,293,035	26,950,631	190,412,310	385,510,151
2012-13[5]	122,192,478	26,932,984	20,502,257	216,631,513	386,259,232

[1] Building Fee combined with CITF Fee in Fiscal Year 2012-13.
[2] Local Fees and flat fees are assessed to both in-state and out-of-state students in addition to the registration and tuition fees. These fees are tax-free with the exception of the Parking Access Fee which is not shown with the 1.8% sales tax.
[3] Technology Fee approved for uses which enhance instructional technology.
[4] Flat Fees are per student per term (fall, spring, summer).
[5] Budget; all other years are actuals.

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

History of Trust Fund Appropriations

Fiscal Year	Educational & General[1]	Contracts & Grants	Auxiliary Enterprises	Other[2]	Total
2008-09	$140,706,755	$82,736,070	$103,433,291	$105,405,391	$432,281,507
2009-10	138,415,322	83,468,637	114,372,229	149,930,769	486,186,957
2010-11	156,960,021	86,572,638	127,641,069	189,496,693	560,670,421
2011-12	212,956,488	87,518,180	156,387,266	179,767,448	636,629,382
2012-13[3]	236,080,125	94,683,008	183,478,576	204,959,621	719,201,330

[1] Student Fee Expenditures (excluding waivers which are reported under revenue) and Florida Lottery Funds.
[2] Includes Student Activities, Athletics, Concessions, Financial Aid and Stimulus Funds for Fiscal Year 2009-10 and Fiscal Year 2010-11 (Local Funds).
[3] Budget; all other years are actuals.

History of Financial Aid Awards. The following table sets forth the history of financial aid awards.

History of Financial Aid Awards[1]

	Source of Awards	2007-08	2008-09	2009-10	2010-11	2011-12
Federal	Number of Awards	33,402	33,837	36,826	45,878	47,418
	Amount of Awards(000's)	$140,721	$174,089	$249,104	$303,106	$325,329
State	Number of Awards	16,251	14,850	13,939	14,803	15,173
	Amount of Awards(000's)	$27,849	$30,066	$29,203	$31,147	$27,530
Institutional	Number of Awards	13,843	9,998	13,374	14,323	17,077
	Amount of Awards(000's)	$17,029	$19,575	$27,662	$32,847	$39,043
Private	Number of Awards	1,612	1,397	1,165	1,685	1,417
	Amount of Awards(000's)	$10,030	$8,630	$6,638	$7,532	$8,306
Other	Number of Awards	64	63	19	166	-
	Amount of Awards(000's)	$58	$64	$14	$400	-
Total	Number of Awards	65,172	60,l45	65,323	76,855	81,085
	Amount of Awards(000's)	$195,688	$232,424	$312,621	$375,032	$400,209
	Type of Awards					
Grants	Number of Awards	31,277	25,294	31,646	38,353	39,128
	Amount of Awards(000's)	$46,958	$53,280	$85,249	$108,916	$107,709
Loans	Number of Awards	19,260	20,318	18,543	21,739	24,403
	Amount of Awards(000's)	$113,316	$140,738	$187,424	$219,980	$247,140
Scholarships	Number of Awards	13,880	14,051	14,718	16,264	16,877
	Amount of Awards(000's)	$33,657	$36,838	$38,161	$44,252	$42,766
FWS & PSWEP	Number of Awards	725	482	416	499	677
	Amount of Awards(000's)	$1,757	$1,568	$1,787	$1,884	$2,594
Total	Number of Awards	65,172	60,145	65,323	76,855	81,085
	Amount of Awards(000's)	$195,688	$232,424	$312,621	$375,032	$400,209

[1] Numbers may not add due to rounding.

Selected Historical Financial Information

Financial Information. Selected University financial information for Fiscal Year 2007-08 through Fiscal Year 2011-12 is set forth in the following two tables. This selected historical information has been derived from, and should be read in conjunction with, the University's financial statements and the related notes thereto.

Historical Summary of Statement of Net Assets (000's)*

ASSETS	Fiscal Year ended June 30,				
Current Assets:	**2008**	**2009**	**2010**	**2011**	**2012**
Cash and Cash Equivalents	$141	$12,822	$1,926	$9,152	$3,116
Investments with State	207,936	185,173	236,395	259,362	270,228
Accounts Receivables, Net	25,768	24,857	26,362	30,048	28,112
Due from State	160,640	178,444	130,284	139,992	111,623
Notes Receivable, Net	346	351	386	1,498	1,003
Inventories	397	436	389	398	490
Other Current Assets	2,791	1,457	857	1,125	1,942
Total Current Assets	$398,019	$403,540	$396,599	$441,575	$416,514
Non-Current Assets:					
Restricted Cash and Cash Equivalents	$122	$3,827	$6,075	$883	$67
Restricted Investments with State	12,650	4,271	26,446	20,940	72,734
Loans and Notes Receivable, Net	1,746	2,133	2,621	1,927	2,119
Depreciable Capital Assets, Net	527,102	542,683	590,544	641,190	637,661
Land and Other Non-dep. Capital Assets	79,127	114,275	129,637	115,829	113,763
Other Assets	4,417	4,383	4,820	4,470	8,477
Total Non-Current Assets	$625,164	$671,572	$760,143	$785,239	$834,821
Total Assets	$1,023,183	$1,075,112	$1,156,742	$1,226,814	$1,251,335
LIABILITIES					
Current Liabilities:					
Accounts Payable	$6,301	$8,603	$16,252	$8,881	$13,114
Salary and Payroll Taxes Payable	13,515	7,665	9,202	7,046	4,675
Construction Contracts Payable	8,940	5,665	5,368	4,868	3,226
Deferred Revenue	159,681	173,490	136,876	144,342	64,804
Deposits Payable	11,257	11,443	9,222	10,399	6,700
Due to State	200	406	471	278	179
Capital Improvement Debt Payable	-	-	6,428	6,701	7,148
Bonds and Revenue Certificates Payable	6,508	6,950	-	-	-
Capital Leases Payable	1,112	1,115	900	573	163
Liability for Self-Insurance Claims	-	-	8	24	21
Compensated Absences Payable	1,647	1,778	2,067	2,412	2,461
Other Current Liabilities	4,069	2,304	966	290	346
Total Current Liabilities	$213,230	$219,419	$187,760	$185,814	$102,837
Non-Current Liabilities:					
Capital Improvement Debt Payable	-	-	124,242	117,541	158,683
Bonds and Revenue Certificates Payable	119,655	119,237	-	-	-
Capital Leases Payable	2,664	1,440	540	252	133
Liability for Self-Insurance Claims	-	-	68	220	192
Compensated Absences Payable	26,772	26,722	26,987	31,757	30,886
Other Post Employment Benefits	2,117	4,077	8,240	12,082	19,185
Other Noncurrent Liabilities	2,045	2,785	2,695	2,572	51,738
Total Non-Current Liabilities	153,253	154,261	162,772	164,424	260,817
Total Liabilities	$366,483	$373,680	$350,532	$350,238	$363,654
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	$476,111	$534,581	$588,153	$633,220	$633,863
Restricted:					
Expendable:					
Loans	3,416	270	332	288	326
Capital Projects	12,659	1,060	20,861	11,456	25,610
Debt Service	12	2	352	2,891	2,534
Other Restricted Net Assets	23,635	19,872	17,974	30,581	42,587
Unrestricted	140,867	145,647	178,538	198,141	182,761
Total Net Assets	$656,700	$701,432	$806,210	$876,576	$887,681
Total Liabilities and Net Assets	$1,023,183	$1,075,112	$1,156,742	$1,226,814	$1,251,335

*Numbers may not add due to rounding.

Historical Summary of Statement of Revenues, Expenses and Changes in Net Assets (000's)*

	Fiscal Year ended June 30,				
Operating Revenue:	**2008**	**2009**	**2010**	**2011**	**2012**
Student Tuition and Fees	$165,013	$180,724	$214,551	$253,780	$287,781
Less: Tuition Scholarship Allowances	(47,406)	(51,968)	(65,826)	(86,468)	(89,722)
Net Student Tuition and Fees	117,607	128,756	148,725	167,312	198,059
Federal Grants and Contracts	59,796	59,666	64,198	69,042	71,359
State and Local Grants and Contracts	10,028	7,197	9,181	11,927	7,084
Non-governmental Grants and Contracts	9,227	7,136	9,257	9,488	9,776
Sales and Services of Auxiliary Enterprise	81,239	88,511	97,120	109,162	117,185
Sales and Services of Educational Departments	4,028	359	439	165	279
Interest on Loans Receivable	77	7	47	55	56
Other Operating Revenue	11,013	14,109	10,742	9,820	15,163
Total Operating Revenue	$293,015	$305,741	$339,709	$376,971	$418,961
Operating Expenses:					
Personnel Services	$353,333	$360,427	$376,701	$413,154	436,424
Contractual Services	79,331	90,157	102,261	116,472	122,898
Utilities	15,659	15,380	13,778	14,722	16,328
Materials and Supplies	20,754	22,586	21,270	19,039	22,851
Repairs and Maintenance	10,163	11,462	6,973	8,096	11,724
Scholarships and Fellowships	48,732	53,727	67,396	85,218	89,194
Depreciation Expense	35,760	36,088	36,681	38,771	38,658
Self-Insured Claims and Expenses	-	-	84	183	(10)
Total Operating Expenses	$563,732	$589,827	$625,144	$695,656	$738,067
Total Operating Income (Loss)	$(270,717)	$(284,086)	$(285,435)	$(318,685)	$(319,106)
Non-Operating Revenues (Expenses)					
State Appropriations	$239,179	$227,082	$203,133	$214,081	$195,098
Investment Income	10,875	2,597	7,192	14,924	9,082
Net Unrealized Gains/Losses on Investments	(4,641)	(10,236)	17,075	8,947	(101)
Federal and State Student Financial Aid	58,533	65,074	82,412	109,871	112,475
State Appropriated ARRA Funds	-	-	15,117	14,495	-
Other Non-Operating Revenue	163	1,395	968	1,225	9,454
Interest on Asset-Related Debt	(6,193)	(6,030)	(5,762)	(6,316)	(6,112)
Gain/(Loss) on Disposal of Capital Assets	(899)	(211)	(173)	16	(523)
Other Non-Operating Expenses	(575)	(3,286)	(101)	(1,210)	(28,148)
Total Non-Operating Revenues (Expenses)	$296,442	$276,385	$319,861	$356,033	$291,225
Income (Loss) Before Other Revenues,					
Expenses, Gains or Losses	$25,725	$(7,701)	$34,426	$37,348	$(27,881)
Capital Appropriations	21,216	44,618	45,839	31,842	34,320
Capital Grants and Contracts	5,604	7,815	2,917	1,176	4,666
Change in Net Assets	$52,545	$44,732	$83,182	$70,365	$11,105
NET ASSETS					
Net Assets, Beginning of Year	$604,155	$656,700	$701,432	$806,210	876,576
Adjustment to Beginning Net Assets	-	-	21,596	-	-
Total Adjusted Restated Net Assets – Beg	$604,155	$656,700	$723,028	$806,210	876,576
Total Net Assets - Ending	$656,700	$701,432	$806,210	$876,576	$887,681

*Numbers may not add due to rounding.

Students

General. The University’s undergraduate and graduate enrollment has increased approximately 30% over the past five years. Competition for acceptance to the University is created by the quality and extent of the applicant pool. Students with strong academic preparation and high test scores are given preference in a competitive admissions process. The requirements for admission include (i) submission of a State University System of Florida application form, (ii) submission of official secondary school transcripts and appropriate admission exam test scores, (iii) proof of graduation from an accredited secondary school and (iv) 19 academic units in specified college preparatory courses. Currently, applicants who show potential in areas not easily evaluated by standard tests can be considered for admission under an admission exception rule.

Applicants to a graduate program of the University must meet the minimum standards set by the Florida Board of Education, the University and when applicable, additional requirements set by each department for admission to a graduate program. A student seeking admission into a graduate program must have a bachelor's degree or equivalent from a regionally accredited institution or, in the case of foreign students, an institution recognized in its own country as preparing students for further study at the graduate level. Applicants must submit official copies of all transcripts. In most cases, an applicant must, at a minimum, present a "B" average in upper level work, or a graduate degree from an accredited institution and certain minimum scores on graduate admissions exams. A Florida Board of Education exception policy allows up to 10% of the graduate students admitted for a particular academic year to be admitted as exceptions to the graduate admissions criteria.

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Student Enrollment. The following table shows the admission and registration data for the University for the most recent five fall semesters for which information is available.

New Admission and Registration Headcounts and Percentages by Type of Student

	Fall 2008	Fall 2009	Fall 2010	Fall 2011	Fall 2012
Total Students:					
No. of Applicants	29,883	37,537	37,634	41,141	39,741
No. Admitted	13,120	16,342	16,748	17,962	18,013
% of Applicants Admitted	44%	44%	45%	44%	45%
No. Enrolled	7,335	8,561	9,050	9,752	9,668
% of Admitted Enrolled	56%	52%	54%	54%	54%
First-Time-in-College:					
No. of Applicants	13,528	15,978	15,061	16,626	15,863
No. Admitted	4,482	5,591	5,949	6,545	6,418
% of Applicants Admitted	33%	35%	39%	39%	40%
No. Enrolled	2,113	2,013	2,338	2,607	2,636
% of Admitted Enrolled	47%	36%	39%	40%	41%
Community College Transfers:					
No. of Applicants	4,160	5,336	5,075	5,540	5,180
No. Admitted	3,379	4,503	4,360	4,578	4,371
% of Applicants Admitted	81%	84%	86%	83%	84%
No. Enrolled	2,266	3,015	3,057	3,226	2,989
% of Admitted Enrolled	67%	67%	70%	70%	68%
Other Undergraduate Transfers:					
No. of Applicants	3,272	4,236	3,879	4,253	3,707
No. Admitted	1,633	2,316	2,166	2,339	2,185
% of Applicants Admitted	50%	55%	56%	55%	59%
No. Enrolled	998	1,323	1,273	1,310	1,259
% of Admitted Enrolled	61%	57%	59%	56%	58%
Post Baccalaureate:					
No. of Applicants	8,923	11,987	13,619	14,722	14,991
No. Admitted	3,626	3,932	4,273	4,500	5,039
% of Applicants Admitted	41%	33%	31%	31%	34%
No. Enrolled	1,958	2,210	2,382	2,609	2,784
% of Admitted Enrolled	54%	56%	56%	58%	55%
Graduate:					
No. of Applicants	6,374	6,243	7,518	8,583	8,766
No. Admitted	2,966	3,164	3,644	3,848	4,121
% of Applicants Admitted	47%	51%	48%	45%	47%
No. Enrolled	1,741	1,927	2,176	2,367	2,498
% of Admitted Enrolled	59%	61%	60%	62%	61%
Professional:					
No. of Applicants	2,549	5,744	6,101	6,139	6,225
No. Admitted	660	768	629	652	918
% of Applicants Admitted	26%	13%	10%	11%	15%
No. Enrolled	217	283	206	242	286
% of Admitted Enrolled	33%	37%	33%	37%	31%

The table below shows the full-time equivalent ("FTE") enrollment of the University by level for each of the past five academic years. The full-time equivalent student calculation factor is a measure of student enrollment based on the number of student credit hours for which students enroll. Under 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 9 credit hours. During the summer semester, 10 undergraduate student credit hours or 8 graduate student credit hours are equivalent to one FTE. Annual full-time equivalency is 40 hours for undergraduate students and 32 hours for graduate students. FTE enrollment is determined by dividing the total number of hours enrolled by all students in a specific category by the appropriate hour requirement.

Full-Time Equivalent Enrollment by Level and Total Headcount Enrollment

	Annual Full-Time Equivalent[1]				Fall Headcount			
Academic Year	**Undergraduate**	**Graduate**	**Total**	**Fall**	**Undergraduate**	**Graduate**	**Total**	**Other[3]**
2007-08	20,527	4,110	24,637	2007	31,571	7,043	38,614	935
2008-09	20,198	4,354	24,552	2008	31,893	7,253	39,146	747
2009-10	20,608	4,806	25,414	2009	32,535	7,920	40,455	884
2010-11	22,381	4,907	27,288	2010	35,595	8,415	44,010	1,935
2011-12	24,286	4,661	28,947	2011	39,227	8,739	47,966	3,513
2012-13[2]	24,289	4,465	28,753	2012[2]	41,694	8,700	50,394	4,753

[1] Does not include College of Medicine students.
[2] Preliminary.
[3] Represents dual enrollment students which are included in total.

The following table shows the headcount enrollment and FTE projections for the University for the next five years. No representations are made as to the reasonableness of the assumptions used in preparing the projections; no assurances are made that actual results will equal those set forth below and investors should not rely on such projections in making their investment decision.

Projected Annual FTE and Headcount Enrollment

	2012-13	**2013-14**	**2014-15**	**2015-16**	**2016-17**
FTE	32,226	32,306	33,329	35,475	36,154
Headcount	50,000	50,000	51,000	52,000	53,000

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The tables below show the total headcount enrollment of students by area of origin for the past five fall semesters.

Total Headcount Enrollment by Area of Origin
at Time of Admission or Readmission

Area	Fall 2008	Fall 2009	Fall 2010	Fall 2011	Fall 2012
Florida	35,509	36,607	39,956	43,692	45,915
New York	284	287	310	287	296
New Jersey	134	139	157	175	179
California	100	109	138	172	197
Texas	75	74	101	112	119
Georgia	72	66	90	118	132
Pennsylvania	69	83	79	85	91
Maryland	59	76	90	81	94
Massachusetts	58	65	81	74	74
Virginia	62	65	76	88	110
All Other States	585	653	736	862	898
Foreign Students	2,136	2,088	2,013	2,013	2,110
Unknown	3	143	183	207	179
Total	39,146	40,455	44,010	47,966	50,394

Total Headcount Enrollment by Florida County of Origin
at Time of Admission or Readmission

County	Fall 2008	Fall 2009	Fall 2010	Fall 2011	Fall 2012
Dade	27,858	27,762	30,195	32,820	34,425
Broward	5,777	6,016	6,537	7,183	7,561
Palm Beach	609	665	746	869	980
Orange	238	272	315	364	373
Hillsborough	188	228	268	292	341
Lee	118	153	189	204	207
Alachua	116	141	132	134	124
Duval	113	131	135	154	165
Pinellas	109	132	123	136	152
Monroe	83	88	108	114	104
All Other Florida Counties	904	1,018	1,207	1,422	1,482
Outside Florida	3,033	3,849	4,055	4,274	4,480
Total	39,146	40,455	44,010	47,966	50,394

Student Recruitment. The University's Office of Admissions is responsible for recruiting and enrolling a student body consisting of nationally outstanding academic talent. Students are recruited for whom intense study with faculty in seminars and tutorials will have rich personal meaning. The annual national campaign to recruit and enroll the Fall class involves creating and updating publications; communicating with prospective students through direct mail and telecounseling campaigns; traveling to selected secondary schools, college fairs, Florida state colleges, and national and regional professional meetings of college placement counselors and admissions officers; and hosting University open houses for prospective students and their families. Affirmative action efforts include special mailings to minority students, traveling to different locations to participate in various minority programs, and hosting on-campus events for students and counselors.

Student Quality Indicators. The following table shows the average high school grade point averages ("GPA"), average Scholastic Aptitude Test ("SAT") scores and average American College Test ("ACT") scores for first-time-in-college students at the University for the past five fall semesters for which information is available.

Student Quality Indicators
For First-Time-In-College Students[1]

Fall	Average High School GPA	Average SAT Score[2]	Average ACT Score
2008	3.70	1161	25
2009	3.74	1157	26
2010	3.69	1140	25
2011	3.70	1139	25
2012	3.74	1141	25

[1] Includes only regularly admitted students who meet the Florida Board of Education Freshman Admissions Requirement.
[2] Excludes writing score.

A second measure of student quality is the University's number of National Merit Scholars and National Achievement Scholars. The table below shows the number of National Merit Scholars and National Achievement Scholars attending the University during the past five Fall Semesters.

National Merit, National Achievement and National Hispanic Scholars

	Fall 2008	Fall 2009	Fall 2010	Fall 2011	Fall 2012
National Merit Scholars	1	0	0	0	0
National Achievement Scholars	1	0	4	1	2
National Hispanic Scholars	5	3	10	16	19

General Academic Information

The University offers approximately 180 degree programs at the bachelor's, master's and doctorate degree levels which are designed to respond to the changing needs of the growing metropolitan areas of South Florida. Degree programs are offered in the College of Architecture and the Arts, College of Arts and Sciences, College of Business Administration, College of Education, College of Engineering & Computing, College of Law, Herbert Wertheim College of Medicine, College of Nursing and Health Sciences, Robert Stempel College of Public Health and Social Work, School of Hospitality and Tourism Management, and School of Journalism and Mass Communication.

The University has now granted more than 145,000 baccalaureates, 42,000 masters, 1,700 doctoral and 900 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, with research and development expenditures of over $108 million during Fiscal Year 2011-12. World's Ahead faculty received over $100 million in research awards from various federal, state and private organizations. Following the University's strategic plan and based on institutional strengths, the research areas of focus include the environment, globalization and health. To this end, FIU researchers have access to state of the art facilities such as the Wall of Wind, Forensic DNA Profiling Facility, Nano-Device Laboratory, Center for Personalized Nano-Medicine, and the upcoming Isotope Ratio Mass Spectrometry facility, among many others. Undergraduate and graduate students at FIU actively participate in all research endeavors. FIU disseminates its discoveries for public benefit through publications, formal technology transfer agreements, public testimony and evidence-based advocacy, and the development of the next generation of scholars.

The following table shows the degrees awarded to the students at the University over the three academic years shown.

Degrees Granted by Discipline

	Baccalaureate Degrees			Master's Degrees			Specialist Degrees			Doctoral Degrees		
Discipline	2009-10	2010-11	2011-12	2009-10	2010-11	2011-12	2009-10	2010-11	2011-12	2009-10	2010-11	2011-12
Arch & Related Serv.	87	55	48	37	49	61	-	-	-	-	-	-
Eth., Cult. & Gen. Studies	41	55	44	18	19	19	-	-	-	-	-	-
Biology & Biomedical	217	276	358	7	6	3	-	-	-	11	10	9
Business,Mgmt., Mrktng	2,279	2,486	2,691	941	1,036	1,321	-	-	-	8	3	14
Communication/Journalism	296	287	255	57	92	68	-	-	-	-	-	-
Computer & Info Systems	125	157	196	25	17	23	-	-	-	5	7	5
Education	355	356	386	260	267	285	10	18	36	14	27	27
Engineering	305	361	323	157	147	197	-	-	-	30	35	26
Engineering Technology	59	77	69	111	90	69	-	-	-	-	-	-
English/Literature/Letters	149	149	188	19	23	13	-	-	-	-	-	-
Foreign Lang./Linguistics	42	42	29	16	17	22	-	-	-	3	3	5
Health Profession	594	402	389	344	439	432	-	-	-	36	57	55
History	46	66	57	11	28	15	-	-	-	1	1	5
Law	-	-	-	-	-	-	-	-	-	144	177	185
Liberal/General Studies	204	223	220	2	1	3	-	-	-	-	-	-
Mathematics, Statistics	11	20	17	9	9	16	-	-	-	-	-	-
Natural Resources, Conserv.	31	21	41	17	16	9	-	-	-	-	-	-
Parks, Recreation, Fitness	90	81	55	21	12	17	-	-	-	-	-	-
Philosophy & Religion	55	60	71	10	7	10	-	-	-	-	-	-
Physical Sciences	72	94	85	12	7	9	-	-	-	12	18	13
Psychology	523	578	783	20	25	30	8	8	13	9	12	10
Public Administration	131	156	161	148	153	200	-	-	-	-	6	7
Security & Protective Srvcs	298	344	457	42	61	83	-	-	-	-	-	-
Social Science	464	602	713	25	33	16	-	-	-	17	18	20
Visual & Performing Arts	141	129	162	32	17	32	-	-	-	-	-	-
Grand Total	**6,615**	**7,077**	**7,798**	**2,341**	**2,571**	**2,953**	**18**	**26**	**49**	**290**	**374**	**381**

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Faculty

The University's Student to Faculty Ratio is 25 to 1. Sixty-two percent of full-time Instructional Faculty are either Tenured or Tenure-Earning. Of the Tenured/Tenure-Earning full-time Instructional Faculty, 99 percent have Doctoral or Terminal degrees in their discipline.

Faculty Data[1]

Fiscal Year	Full-Time Faculty	Part-Time Faculty	Tenured Faculty[2]	Faculty with Terminal Degrees	Student/ Faculty Ratio (FTE)[3]
2007-08	852	689	461	780	26 to 1
2008-09	854	698	436	986	26 to 1
2009-10	871	683	432	998	27 to 1
2010-11	891	679	438	1,155	28 to 1
2011-12	1,012	692	435	1,208	27 to 1
2012-13[4]	1,116	704	447	1,215	25 to 1

[1] Faculty is salaried regular appointments and does not include adjunct faculty. Includes only faculty classified as instructional, i.e., does not include faculty administrators (deans, chairs, directors, etc.) or library staff.
[2] Tenured faculty includes service professors with tenure.
[3] Student/Faculty Ratio of full-time equivalent students to full time equivalent faculty. Medicine and law faculty and students are excluded.
[4]Preliminary, based on Fall 2012.

Personnel

The University employs more than 5,100. Instructional Faculty make up 36 percent of the employee population. Instructional Faculty are supported by a Non-Instructional Staff of 3,300 employees, of which 741 are Office and Administrative Support occupations.

Activity	Fall 2012
Instruction/Research/Pub. Svc.	1,820
Archivists, Curators, and Museum Technicians	24
Business and Financial Operations Occupations	295
Community Service, Legal, Arts, and Media Occupations	296
Computer, Engineering, and Science Occupations	509
Healthcare Practitioners and Technical Occupations	19
Librarians/Library Technicians	85
Management Occupations	644
Natural Resources, Construction, and Maintenance Occupations	156
Office and Administrative Support Occupations	741
Production, Transportation, and Material Moving Occupations	5
Research	140
Service Occupations	342
Other	44
Grand Total	**5,120**

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 is comprised of the following departments and programs: Career Services, Counseling and Psychological Services Center, Disability Resource Center, International Student and Scholar Services, Multicultural Programs and Services, University Housing and Residential Life, Student Centers, Campus Life, University Health Services, Student Conduct and Mediation Services, Victim's Advocacy Center, Center for Leadership and Service, Women's Center, Recreation Services, Student Government Association, Student Media, Pre-Collegiate Programs and Grants, Children's Creative Learning Center, Orientation and Commuter Student Services, and Assessment and Evaluation.

Endowments and Fund Raising Efforts

Fund-raising activities for the University are coordinated by the Division of University Advancement. Private funds raised are channeled through the Florida International University Foundation Inc. (the "Foundation"), a 501(c)(3) direct-support organization established in 1969 and regulated by the Florida Board of Education. The Foundation is responsible for receiving, investing and administering all private gifts and bequests to the University.

Florida International University is embarking on a capital campaign to raise $750 million by the year 2020. In alignment with the University's strategic focus on the arts, environment, globalization and health, the campaign will raise funds for specific philanthropic priorities. The capital campaign will empower FIU to achieve each of the goals outlined in the University's Worlds Ahead strategic plan, enabling FIU to ascend to the next level of excellence in academic, research, and outreach initiatives and creating a solid financial base that will shape the institution's 21st century evolution. The table below sets forth financial information relating to the Florida International University Foundation, Inc. as of the dates shown.

Fiscal Year	Assets	Liabilities	Revenues	Expenditures
2007-08	$171,807,365	$11,407,984	$24,879,046	$14,113,466
2008-09	171,935,566	10,592,964	18,101,730	16,155,366
2009-10	188,423,106	11,448,924	29,727,149	11,919,069
2010-11	233,714,123	12,558,111	56,716,608	12,450,704
2011-12	248,131,436	11,452,524	33,507,371	16,876,288

Gifts received by Florida International University are shown by restriction and giving program in the table below for the past five fiscal years.

Gift Report
Current Receipts and Deferred Additions by Restriction and Giving Program for a Twelve-Month Period*

Fiscal Year	Unrestricted Gifts	Restricted Gifts	Endowments	Total Gifts Received
2007-08	$2,776,673	$2,525,858	$23,093,787	$28,396,318
2008-09	2,787,589	6,604,113	33,603,394	42,995,096
2009-10	3,385,599	2,540,101	10,463,120	16,388,820
2010-11	4,527,457	8,249,719	12,768,575	25,545,751
2011-12	4,302,042	9,882,947	18,269,654	32,454,643

* Revenues do not include investment income or MARC Building rental income.

REPORT NO. 2013-116
MARCH 2013

FLORIDA INTERNATIONAL UNIVERSITY

Financial Audit

For the Fiscal Year Ended
June 30, 2012

STATE OF FLORIDA
AUDITOR GENERAL
DAVID W. MARTIN, CPA

BOARD OF TRUSTEES AND PRESIDENT

Members of the Board of Trustees and President who served during the 2011-12 fiscal year are listed below:

Notes: (1) Position remained vacant from January 19, 2012, through March 21, 2012.
(2) Faculty Senate Chair.
(3) Student body president.
(4) Position was vacant from July 1, 2011, through September 14, 2011.

The Auditor General conducts audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

The audit team leader was Michael K. Hollinger, and the audit was supervised by Ramon A. Gonzalez, CPA. Please address inquiries regarding this report to James R. Stultz, CPA, Audit Manager, by e-mail at jimstultz@aud.state.fl.us or by telephone at (850) 922-2263.

This report and other reports prepared by the Auditor General can be obtained on our Web site at www.myflorida.com/audgen; by telephone at (850) 487-9175; or by mail at G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450.

FLORIDA INTERNATIONAL UNIVERSITY
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EXECUTIVE SUMMARY

Summary of Report on Financial Statements

Our audit disclosed that the University's basic financial statements were presented fairly, in all material respects, in accordance with prescribed financial reporting standards.

Summary of Report on Internal Control and Compliance

Our audit did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards,* issued by the Comptroller General of the United States.

Audit Objectives and Scope

Our audit objectives were to determine whether Florida International University and its officers with administrative and stewardship responsibilities for University operations had:

- **Presented the University's basic financial statements in accordance with generally accepted accounting principles;**
- **Established and implemented internal control over financial reporting and compliance with requirements that could have a direct and material effect on the financial statements; and**
- **Complied with the various provisions of laws, rules, regulations, contracts, and grant agreements that are material to the financial statements.**

The scope of this audit included an examination of the University's basic financial statements as of and for the fiscal year ended June 30, 2012. We obtained an understanding of the University's environment, including its internal control, and assessed the risk of material misstatement necessary to plan the audit of the basic financial statements. We also examined various transactions to determine whether they were executed, in both manner and substance, in accordance with governing provisions of laws, rules, regulations, contracts, and grant agreements.

An examination of Federal awards administered by the University is included within the scope of our Statewide audit of Federal awards administered by the State of Florida.

Audit Methodology

The methodology used to develop the findings in this report included the examination of pertinent University records in connection with the application of procedures required by auditing standards generally accepted in the United States of America and applicable standards contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

AUDITOR GENERAL
STATE OF FLORIDA

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

DAVID W. MARTIN, CPA
AUDITOR GENERAL

PHONE: 850-488-5534
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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 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, 2012, which collectively comprise the University's basic financial statements as listed in the table of contents. These financial statements are the responsibility of University management. 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, as described in note 1 to the financial statements, which represent 100 percent of the transactions and account balances of the aggregate discretely presented component units columns. Those financial statements were audited by other auditors whose reports thereon has have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of Florida International University and of its aggregate discretely presented component units as of June 30, 2012, and the respective changes in financial position and cash flows thereof for the fiscal year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report on our consideration of Florida International University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that **MANAGEMENT'S DISCUSSION AND ANALYSIS, SCHEDULE OF FUNDING PROGRESS – OTHER POSTEMPLOYMENT BENEFITS PLAN**, and **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Respectfully submitted,

David W. Martin, CPA
February 25, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management's discussion and analysis (MD&A) provides an overview of the financial position and activities of the University for the fiscal year ended June 30, 2012, and should be read in conjunction with the financial statements and notes thereto. This overview is required by Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements–and Management's Discussion and Analysis–for Public Colleges and Universities*, as amended by GASB Statements Nos. 37 and 38. The MD&A, and financial statements and notes thereto, are the responsibility of University management.

FINANCIAL HIGHLIGHTS

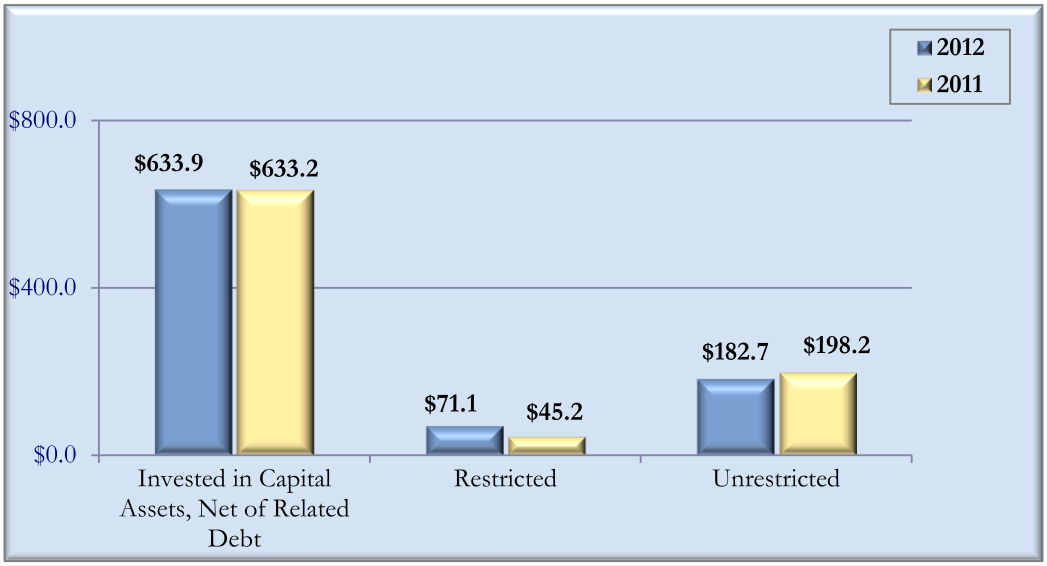
The University's assets totaled $1.3 billion at June 30, 2012. This balance reflects a $24.5 million, or 2 percent, increase as compared to the 2010-11 fiscal year. Investments increased $62.7 million due in part to investment of bond proceeds for the Parkview Housing facility. The amount due from the State decreased by $28.4 million as funds were drawn down and used for State funded construction projects. In addition, there was a $5.6 million decrease in net capital assets, resulting from a change in the University's capitalization threshold as further explained in the capital asset section of this MD&A. While assets increased, liabilities increased by a lesser amount of $13.4 million, or 3.8 percent, totaling $363.6 million at June 30, 2012, as compared to $350.2 million at June 30, 2011. A new bond issue increased debt by $47.5 million and other post employment benefits payable increased $7.1 million. As a result, the University's net assets increased by $11.1 million, resulting in a year-end balance of $887.7 million.

The University's operating revenues totaled $419 million for the 2011-12 fiscal year, representing a $42 million, or 11.1 percent, increase over the 2010-11 fiscal year. Major components of operating revenues are student tuition and fees, auxiliary enterprise revenues, and grants and contracts. Student tuition and fees revenues increased $30.8 million as a result of tuition and fee increases combined with a 4.7 percent increase in student enrollment, auxiliary enterprise revenues increased 7.3 percent as a result of increases in fees for continuing education programs, while grants and contract revenue decreased $2.2 million. Operating expenses totaled $738.1 million for the 2011-12 fiscal year, representing an increase of $42.4 million, or 6.1 percent, over the 2010-11 fiscal year due mainly to an increase in compensation and employee benefits of $23.2 million and an increase in services and supplies of $13.9 million.

Net nonoperating revenues and expenses decreased by $64.8 million in the 2011-12 fiscal year. This decrease was partly due to the termination of American Recovery and Reinvestment Act revenue, which represented $14.5 million. State noncapital appropriations also decreased $19.1 million. Additionally, due to the change in the capitalization threshold, there were other nonoperating expenses of $28 million for noncash, nonrecurring capital assets removed from the accounting records.

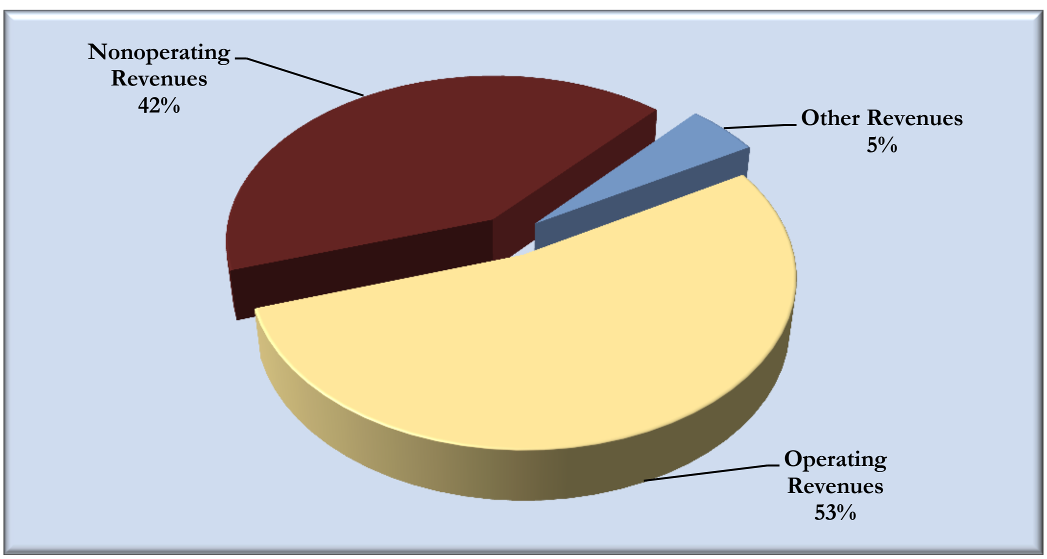
Net assets represent the residual interest in the University's assets after deducting liabilities. The University's comparative total net assets by category for the fiscal years ended June 30, 2012, and 2011, are shown in the following graph:

Net Assets (In Millions)



The following chart provides a graphical presentation of University revenues by category for the 2011-12 fiscal year:

Total Revenues



OVERVIEW OF FINANCIAL STATEMENTS

Pursuant to GASB Statement No. 35, the University's financial report includes three basic financial statements: the statement of net assets; the statement of revenues, expenses, and changes in net assets; and the statement of cash flows. The financial statements, and notes thereto, encompass the University and its component units. These component units include:

- 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 Florida International University and its objectives.
- Florida International University Research Foundation, Inc. (Research Foundation) – The purpose of the Research Foundation, Inc., includes the promotion and encouragement of, and assistance to, the research and training activities of faculty, staff, and students of Florida International University through income from contracts, grants, and other sources, including, but not limited to, income derived from or related to the development and commercialization of University work products.
- FIU Athletics Finance Corporation (Finance Corporation) – The purpose of the Finance Corporation includes the support to the University in matters pertaining to the financing of the FIU football stadium and, subsequently, the managing and operating of the facility.
- 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 FIU.
- FIU College of Medicine Self-Insurance Program (Self-Insurance Program) – The purpose of the Self-Insurance Program is to provide 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's faculty, staff, and resident physicians.

Based upon the application of the criteria for determining component units, the Self-Insurance Program is included within the University reporting entity as a blended component unit, and the Foundation, Research Foundation, Finance Corporation, and Health Care Network are included within the University reporting entity as discretely presented component units. 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 component units. For those component units reporting under GASB standards, MD&A information is included in their separately issued audit reports.

THE STATEMENT OF NET ASSETS

The statement of net assets reflects the assets and liabilities of the University, using the accrual basis of accounting, and presents the financial position of the University at a specified time. The difference between total assets and total liabilities, net assets, is one indicator of the University's current financial condition. The changes in net assets that occur over time indicate improvement or deterioration in the University's financial condition.

The following summarizes the University's assets, liabilities, and net assets at June 30:

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

	2012	2011
Assets		
Current Assets	$ 416.5	$ 441.6
Capital Assets, Net	751.4	757.0
Other Noncurrent Assets	83.4	28.2
Total Assets	1,251.3	1,226.8
Liabilities		
Current Liabilities	102.8	185.8
Noncurrent Liabilities	260.8	164.4
Total Liabilities	363.6	350.2
Net Assets		
Invested in Capital Assets, Net of Related Debt	633.9	633.2
Restricted	71.1	45.2
Unrestricted	182.7	198.2
Total Net Assets	$ 887.7	$ 876.6

THE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

The statement of revenues, expenses, and changes in net assets presents the University's revenue and expense activity, categorized as operating and nonoperating. Revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid.

The following summarizes the University's activity for the 2011-12 and 2010-11 fiscal years:

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

	2011-12	2010-11
Operating Revenues	$ 419.0	$ 377.0
Less, Operating Expenses	738.1	695.7
Operating Loss	(319.1)	(318.7)
Net Nonoperating Revenues	291.2	356.0
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	(27.9)	37.3
Other Revenues, Expenses, Gains, or Losses	39.0	33.1
Net Increase In Net Assets	11.1	70.4
Net Assets, Beginning of Year	876.6	806.2
Net Assets, End of Year	$ 887.7	$ 876.6

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.

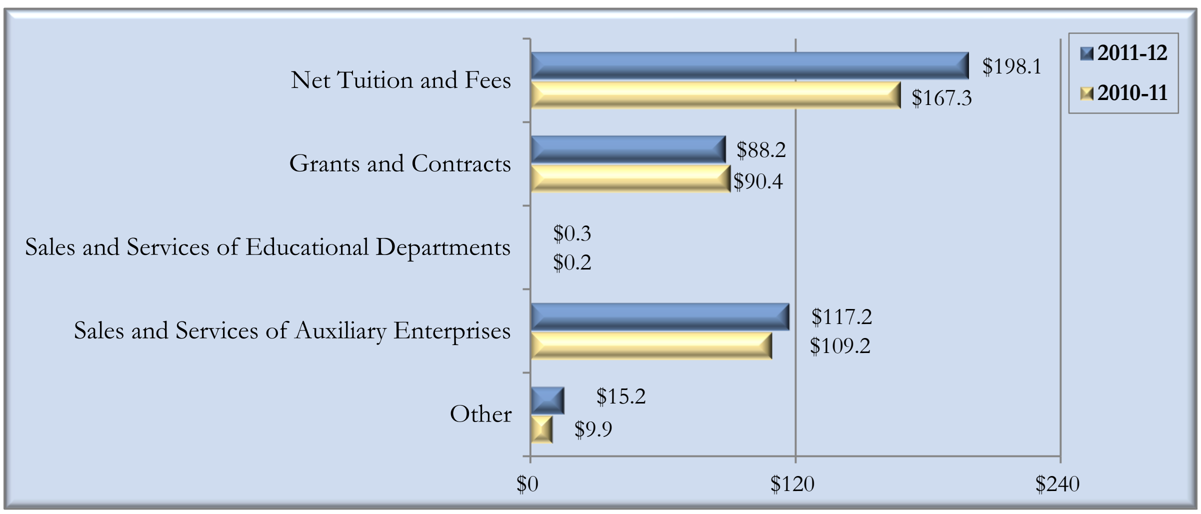
The following summarizes the operating revenues by source that were used to fund operating activities for the 2011-12 and 2010-11 fiscal years:

Operating Revenues
(In Millions)

	2011-12	2010-11
Net Tuition and Fees	$ 198.1	$ 167.3
Grants and Contracts	88.2	90.4
Sales and Services of Educational Departments	0.3	0.2
Sales and Services of Auxiliary Enterprises	117.2	109.2
Other	15.2	9.9
Total Operating Revenues	$ 419.0	$ 377.0

The following chart presents the University's operating revenues for the 2011-12 and 2010-11 fiscal years:

Operating Revenues
(In Millions)



University operating revenue changes were the result of the following factors:

- Student tuition and fees increased $30.8 million. The increase was primarily due to an 8 percent Statewide tuition increase for undergraduate students and a tuition differential that allowed the University to increase undergraduate tuition up to 15 percent. Additionally, there was a 4.7 percent increase in student enrollment.
- Grants and contracts decreased $2.2 million. Although Federal Grants increased $2.3 million, State and Local grants decreased $4.8 million, as a result of State budget reductions. Less funding was available and the average amount received per grant was lower than prior years.
- Sales and services of auxiliary enterprises increased $8 million primarily due to increases in fees for continuing education programs.

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 assets and has displayed the functional classification in the notes to financial statements.

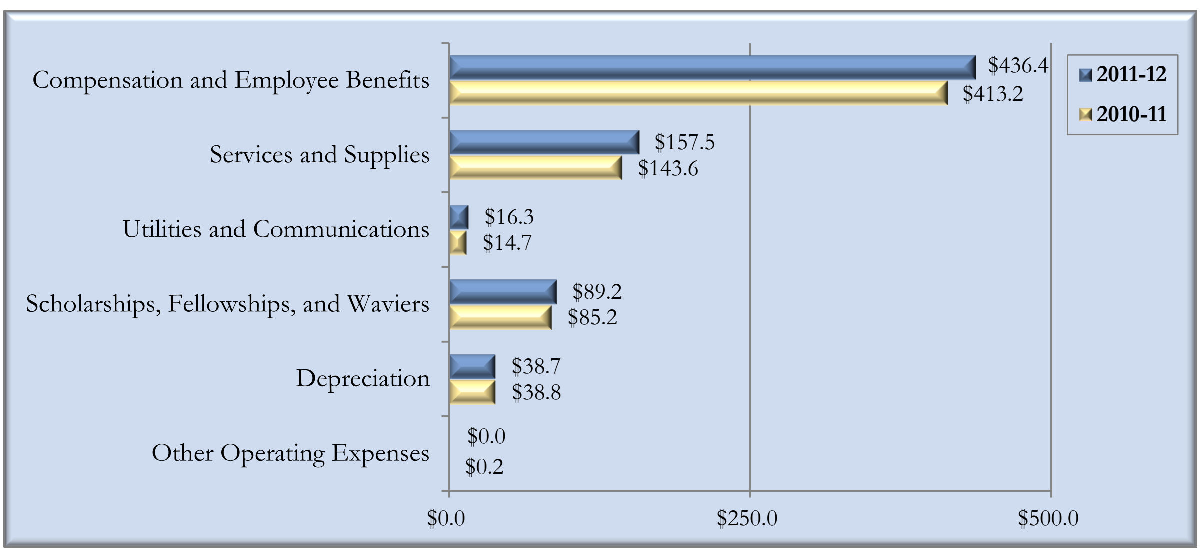
The following summarizes the operating expenses by natural classifications for the 2011-12 and 2010-11 fiscal years:

Operating Expenses
For the Fiscal Years
(In Millions)

	2011-12	2010-11
Compensation and Employee Benefits	$ 436.4	$ 413.2
Services and Supplies	157.5	143.6
Utilities and Communications	16.3	14.7
Scholarships, Fellowships, and Waivers	89.2	85.2
Depreciation	38.7	38.8
Other Operating Expenses		0.2
Total Operating Expenses	$ 738.1	$ 695.7

The following chart presents the University's operating expenses for the 2011-12 and 2010-11 fiscal years:

Operating Expenses
(In Millions)



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

- Compensation and employee benefits increased $23.2 million. This increase was due to an increase in employees and was partially offset by decreases in benefits. The primary decrease in benefits was a reduction of retirement benefit costs for employees participating in the State University System Retirement Programs.

- Services and supplies increased $13.9 million. One factor contributing to the increase was the change in the capitalization threshold limit. In prior years, purchases for qualifying items were capitalized if the cost exceeded $1,000; during the current year this limit was increased to $5,000 and, as a result, more capital purchases were expensed. Expenses related to the additional Federal grants and contracts were another factor in increased service and supplies expenses. Furthermore, increased repairs and maintenance costs also contributed to the 2011-12 fiscal year increase.

Nonoperating Revenues and Expenses

Certain revenue sources that the University relies on to provide funding for operations, including State noncapital appropriations, certain gifts and grants, 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 2011-12 and 2010-11 fiscal years:

Nonoperating Revenues (Expenses)
(In Millions)

	2011-12	2010-11
State Noncapital Appropriations	$ 195.0	$ 214.1
Federal and State Student Financial Aid	112.4	109.9
State Appropriated American Recovery and Reinvestment Act Funds		14.5
Investment Income	9.0	23.9
Other Nonoperating Revenues	9.5	1.2
Loss on Disposal of Capital Assets	(0.5)	
Interest on Capital Asset-Related Debt	(6.1)	(6.3)
Other Nonoperating Expenses	(28.1)	(1.3)
Net Nonoperating Revenues	**$ 291.2**	**$ 356.0**

Net nonoperating revenues decreased by $64.8 million, or 18.2 percent, from the prior fiscal year due mainly to the following factors:

- There was a decrease of $19.1 million in State noncapital appropriations and a decrease of $14.9 million in investment income. The decreases were partially offset by an increase of $8.3 million in other nonoperating revenue which was the result of increases in amounts reported as contributed by component units to the University.
- The 2010-11 fiscal year was the second and final year the University received State Appropriated American Recovery and Reinvestment income. The termination of this program resulted in a $14.5 million decrease in revenue.
- Other nonoperating expenses increased $26.8 million primarily due to the inclusion of a nonrecurring, noncash item, totaling $28 million, reflecting a change in capitalization threshold, see Note 1, Capital Assets for more details regarding this transaction.

Other Revenues, Expenses, Gains, or Losses

This category is mainly composed of State capital appropriations and capital grants, contracts, donations, and fees. The following summarizes the University's other revenues, expenses, gains, or losses for the 2011-12 and 2010-11 fiscal years:

Other Revenues, Expenses, Gains, or Losses
(In Millions)

	2011-12	2010-11
State Capital Appropriations	$ 34.3	$ 31.9
Capital Grants, Contracts, Donations, and Fees	4.7	1.2
Total	$ 39.0	$ 33.1

Other revenues, expenses, gains, or losses totaled $39 million for the 2011-12 fiscal year. This represents a 17.8 percent increase compared to the 2010-11 fiscal year and was due to a $2.4 million increase in State capital appropriations earned from approved authorized encumbrances for current projects and a $3.5 million increase in capital donations. The Foundation contributed $2 million for the construction of a dining hall for the Hospitality and Tourism School and the Finance Corporation contributed $1.5 million for the football stadium expansion.

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 2011-12 and 2010-11 fiscal years:

Condensed Statement of Cash Flows
(In Millions)

	2011-12	2010-11
Cash Provided (Used) by:		
Operating Activities	$ (272.1)	$ (281.2)
Noncapital Financing Activities	315.5	334.6
Capital and Related Financing Activities	3.5	(59.1)
Investing Activities	(53.7)	7.7
Net Increase (Decrease) in Cash and Cash Equivalents	(6.8)	2.0
Cash and Cash Equivalents, Beginning of Year	10.0	8.0
Cash and Cash Equivalents, End of Year	$ 3.2	$ 10.0

Major sources of funds came from State noncapital appropriations ($198.6 million), proceeds from issuance of capital improvement debt ($75.6 million), net student tuition and fees ($207.4 million), grants and contracts ($90.6 million), sales and services of auxiliary enterprises ($124.7 million), Federal direct student loans ($243.6 million), proceeds from sales and maturities of investments ($841.6 million), and Federal and State student financial aid ($112.2 million). Major uses of funds were for payments made to and on behalf of employees ($432.5 million), payments to suppliers ($169.6 million), Federal direct student loans ($242 million), purchases of investments ($904.3 million), and payments to and on behalf of students for scholarships ($89.2 million).

CAPITAL ASSETS, CAPITAL EXPENSES AND COMMITMENTS, AND DEBT ADMINISTRATION

CAPITAL ASSETS

At June 30, 2012, the University had $1.1 billion in capital assets, less accumulated depreciation of $379.3 million, for net capital assets of $751.4 million. The 2011-12 fiscal year net capital assets decreased $5.6 million compared to the 2010-11 fiscal year. This decrease is due to the removal of $28 million of capital assets from the accounting records as a result of a change in the University's capitalization threshold. On May 18, 2011, the Florida Board of Governors approved Regulation 9.002, *Recording and Marking of Property*. The Regulation revised the capitalization threshold to achieve administrative efficiencies and cost savings by increasing the capitalization threshold of University tangible personal property. The decrease was partially offset by the addition of $18.9 million for buildings and $2.1 million for infrastructure and other improvements. Depreciation charges for the current fiscal year totaled $38.7 million. The following table summarizes the University's capital assets, net of accumulated depreciation, at June 30:

Capital Assets, Net at June 30
(In Millions)

	2012	2011
Land	$ 31.0	$ 31.0
Works of Art and Historical Treasures	3.0	4.3
Construction in Progress	79.8	80.6
Buildings	552.9	534.0
Infrastructure and Other Improvements	4.1	2.0
Furniture and Equipment	33.6	47.5
Library Resources	45.7	56.1
Property Under Capital Leases and Leasehold Improvements	0.5	0.6
Computer Software	0.8	0.9
Capital Assets, Net	$ 751.4	$ 757.0

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, 2012, were incurred on the following projects: $18.7 million for the Science Classroom Complex, $3.2 million for the Parkview Housing, $2.1 million for the Satellite Chiller Plant and $2 million for the USCB Arena Expansion. The University's major capital commitments at June 30, 2012, are as follows:

	Amount (In Millions)
Total Committed	$ 297.6
Completed to Date	(79.8)
Balance Committed	$ 217.8

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

DEBT ADMINISTRATION

As of June 30, 2012, the University had $166.1 million in outstanding capital improvement debt payable and capital leases payable, representing an increase of $41 million, or 32.8 percent, from the prior fiscal year. During the 2011-12 fiscal year, $47.5 million of new capital improvement debt was issued to fund the construction of the Parkview Housing facility. In addition, $29.4 million of 1998 Series and 2000 Series housing capital improvement debt payable was refunded during the 2011-12 fiscal year to take advantage of lower interest rates and achieve interest expense savings for future years. The following table summarizes the outstanding long-term debt by type for the fiscal years ended June 30:

Long-Term Debt, at June 30
(In Millions)

	2012	2011
Capital Improvement Debt	$ 165.8	$ 124.3
Capital Leases	0.3	0.8
Total	$ 166.1	$ 125.1

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

ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

The slower than anticipated economic recovery in Florida has affected funding at all levels of education and this was particularly evident in the appropriations for the State University System (SUS). The State Legislature approved a nonrecurring reduction of $300 million to the SUS for the 2012-13 academic year. FIU's share of the SUS nonrecurring reduction was $24.3 million. This decline in State noncapital appropriations is offset with incremental tuition revenues, mainly generated from the 15 percent differential tuition increase the Florida Board of Governors approved for undergraduate students, a graduate tuition increase, and university reserves.

The FIU Herbert Wertheim College of Medicine (COM) will welcome its fourth and largest class in August 2012. Nearly 4,000 applications were received and 120 students were accepted. The COM receives line-item appropriations from the Florida Legislature; for the 2012-13 fiscal year State appropriations to the COM increased by $0.6 million to $26.9 million. The 2012-13 fiscal year COM budget is aligned with the implementation plan approved by the Florida Board of Governors in 2007.

In the 2012-13 fiscal year, FIU will continue to deliver on core mission and goals investing in initiatives focusing on student success and student access consistent with the long-range Strategic Plan. This has been done through a disciplined allocation of incremental revenues and reserves. FIU is hopeful that the nonrecurring reduction for 2012-13 fiscal year will be restored in the 2013-14 fiscal year. However, should the $24.3 million not be reinstated, FIU will be prepared to implement budget reductions that are guided by FIU's Worlds Ahead 2010-15 Strategic Plan and 2013-14 Work Plan. This will encompass exploring cost-savings and efficiency programs along with revenue enhancements in a transparent, accountable, and consistent process.

Overall, the global and national economic situation and the State's priorities will continue to influence appropriations to higher education. In the State of Florida, there continues to be increased interest in strengthening the efficiency and effectiveness of the higher education system; FIU is closely monitoring possible policy changes and potential impacts to higher education funding.

REQUESTS FOR INFORMATION

Questions concerning information provided in the MD&A or other required supplemental information, and financial statements and notes thereto, or requests for additional financial information should be addressed to the Chief Financial Officer and Senior Vice President for Finance and Administration, Dr. Kenneth Jessell, at Florida International University, 11200 Southwest 8th Street , Miami, Florida 33199.

BASIC FINANCIAL STATEMENTS

FLORIDA INTERNATIONAL UNIVERSITY
A COMPONENT UNIT OF THE STATE OF FLORIDA
STATEMENT OF NET ASSETS
June 30, 2012

	University	Component Units
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 3,115,987	$ 5,944,761
Investments	270,227,544	170,255,203
Accounts Receivable, Net	28,112,443	62,177,935
Loans and Notes Receivable, Net	1,002,705	
Due from State	111,622,679	
Due from Component Units/University	947,385	346,050
Inventories	490,524	
Other Current Assets	995,084	2,183,971
Total Current Assets	416,514,351	240,907,920
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	66,596	2,516,656
Restricted Investments	72,734,343	3,061,976
Loans and Notes Receivable, Net	2,118,671	
Depreciable Capital Assets, Net	637,660,930	13,647,071
Nondepreciable Capital Assets	113,763,001	2,500
Due from Component Units/University	6,322,413	
Other Noncurrent Assets	2,154,726	31,412,078
Total Noncurrent Assets	834,820,680	50,640,281
TOTAL ASSETS	$ 1,251,335,031	$ 291,548,201
LIABILITIES		
Current Liabilities:		
Accounts Payable	$ 13,114,473	$ 312,951
Construction Contracts Payable	3,225,643	
Salaries and Wages Payable	4,675,127	
Deposits Payable	6,700,155	
Due to State	179,269	
Due to Component Units/University	346,050	947,385
Deferred Revenue	64,803,570	1,585,606
Other Current Liabilities		208,386
Long-Term Liabilities - Current Portion:		
Bonds Payable		636,987
Capital Improvement Debt Payable	7,147,618	
Notes Payable		640,000
Capital Leases Payable	162,571	
Compensated Absences Payable	2,461,037	
Liability for Self-Insured Claims	21,280	
Total Current Liabilities	102,836,793	4,331,315

FLORIDA INTERNATIONAL UNIVERSITY
A COMPONENT UNIT OF THE STATE OF FLORIDA
STATEMENT OF NET ASSETS (CONTINUED)
June 30, 2012

	University	Component Units
LIABILITIES (Continued)		
Noncurrent Liabilities:		
Bonds Payable	$	$ 32,384,102
Capital Improvement Debt Payable	158,683,325	
Notes Payable		7,540,000
Capital Leases Payable	133,155	
Compensated Absences Payable	30,886,349	
Due to Component Units/University		6,322,413
Other Postemployment Benefits Payable	19,185,000	
Liability for Self-Insured Claims	191,518	
Other Long-Term Liabilities	51,738,141	8,435,274
Total Noncurrent Liabilities	260,817,488	54,681,789
TOTAL LIABILITIES	363,654,281	59,013,104
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	633,863,274	2,772,984
Restricted for Nonexpendable:		
Endowment		181,575,076
Restricted for Expendable:		
Debt Service	2,533,608	
Loans	325,540	
Capital Projects	25,609,706	
Other	42,587,094	33,472,532
Unrestricted	182,761,528	14,714,505
TOTAL NET ASSETS	887,680,750	232,535,097
TOTAL LIABILITIES AND NET ASSETS	$ 1,251,335,031	$ 291,548,201

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 ASSETS
For the Fiscal Year Ended June 30, 2012

	University	Component Unit(s)
REVENUES		
Operating Revenues:		
Student Tuition and Fees, Net of Scholarship Allowances of $89,722,332	$ 198,058,478	$
Federal Grants and Contracts	71,358,734	
State and Local Grants and Contracts	7,084,446	
Nongovernmental Grants and Contracts	9,776,275	
Sales and Services of Educational Departments	278,512	
Sales and Services of Auxiliary Enterprises	117,184,867	
Sales and Services of Component Units		1,432,095
Gift and Donations		32,629,646
Interest on Loans and Notes Receivable	55,864	
Other Operating Revenues	15,163,378	5,710,963
Total Operating Revenues	418,960,554	39,772,704
EXPENSES		
Operating Expenses:		
Compensation and Employee Benefits	436,424,088	
Services and Supplies	157,463,013	15,252,747
Utilities and Communications	16,328,149	158,739
Scholarships, Fellowships, and Waivers	89,193,592	
Depreciation	38,657,865	560,353
Other Operating Expenses		6,259,963
Total Operating Expenses	738,066,707	22,231,802
Operating Income (Loss)	(319,106,153)	17,540,902
NONOPERATING REVENUES (EXPENSES)		
State Noncapital Appropriations	195,097,841	
Federal and State Student Financial Aid	112,475,420	
Investment Income (Loss)	8,980,856	(2,288,598)
Other Nonoperating Revenues	9,454,191	
Loss on Disposal of Capital Assets	(523,243)	
Interest on Capital Asset-Related Debt	(6,112,259)	(1,463,952)
Other Nonoperating Expenses	(28,147,676)	
Net Nonoperating Revenues (Expenses)	291,225,130	(3,752,550)
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	(27,881,023)	13,788,352
State Capital Appropriations	34,319,664	
Capital Grants, Contracts, Donations, and Fees	4,666,039	
Increase in Net Assets	11,104,680	13,788,352
Net Assets, Beginning of Year	876,576,070	218,746,745
Net Assets, End of Year	$ 887,680,750	$ 232,535,097

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, 2012

	University
CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and Fees, Net	$ 207,361,769
Grants and Contracts	90,613,487
Sales and Services of Educational Departments	278,513
Sales and Services of Auxiliary Enterprises	124,688,616
Interest on Loans and Notes Receivable	66,222
Payments to Employees	(432,514,081)
Payments to Suppliers for Goods and Services	(169,624,695)
Payments to Students for Scholarships and Fellowships	(89,193,592)
Loans Issued to Students	(7,700,669)
Collection on Loans to Students	7,393,283
Other Operating Disbursements	(3,491,730)
Net Cash Used by Operating Activities	(272,122,877)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Noncapital Appropriations	198,590,798
Federal and State Student Financial Aid	112,246,793
Federal Direct Loan Program Receipts	243,571,723
Federal Direct Loan Program Disbursements	(242,015,247)
Operating Subsidies and Transfers	(3,061,411)
Net Change in Funds Held for Others	(2,162,532)
Other Nonoperating Receipts	8,321,366
Net Cash Provided by Noncapital Financing Activities	315,491,490
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from Capital Debt and Leases	75,624,418
State Capital Appropriations	26,445,579
Capital Grants, Contracts, Donations, and Fees	4,391,244
Proceeds from Sale of Capital Assets	57,835
Other Receipts for Capital Projects	1,778,927
Capital Subsidies and Transfers	14,700
Purchase or Construction of Capital Assets	(63,016,906)
Principal Paid on Capital Debt and Leases	(35,424,937)
Interest Paid on Capital Debt and Leases	(6,386,943)
Net Cash Provided by Capital and Related Financing Activities	3,483,917
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales and Maturities of Investments	841,556,824
Purchase of Investments	(904,317,146)
Investment Income	9,055,286
Net Cash Used by Investing Activities	(53,705,036)
Net Decrease in Cash and Cash Equivalents	(6,852,506)
Cash and Cash Equivalents, Beginning of Year	10,035,089
Cash and Cash Equivalents, End of Year	$ 3,182,583

FLORIDA INTERNATIONAL UNIVERSITY
A COMPONENT UNIT OF THE STATE OF FLORIDA
STATEMENT OF CASH FLOWS (CONTINUED)
For the Fiscal Year Ended June 30, 2012

	University
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Loss	$ (319,106,153)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation Expense	38,657,865
Change in Assets and Liabilities:	
Receivables, Net	2,436,308
Inventories	(92,569)
Other Assets	(420,141)
Accounts Payable	4,098,835
Salaries and Wages Payable	(2,370,722)
Deposits Payable	(3,254,974)
Compensated Absences Payable	(822,271)
Deferred Revenue	1,678,913
Liability for Self-Insurance	(30,968)
Other Postemployment Benefits Payable	7,103,000
NET CASH USED BY OPERATING ACTIVITIES	$ (272,122,877)
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND CAPITAL FINANCING ACTIVITIES	
Unrealized losses on investments were recognized as a reduction to investment income on the statement of revenues, expenses, and changes in net assets, but are not cash transactions for the statement of cash flows.	$ (101,017)
Losses from the disposal of capital assets were recognized on the statement of revenues, expenses, and changes in net assets, but are not cash transactions for the statement of cash flows.	$ (523,243)
The change in the capitalization threshold for tangible personal property was recognized on the statement of revenues, expenses, and changes in net assets as other nonoperating expenses, but are not cash transactions for the statement of cash flows.	$ (27,951,210)

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

FLORIDA INTERNATIONAL UNIVERSITY
A COMPONENT UNIT OF THE STATE OF FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity. The University is a separate public instrumentality that is part of the State university system of public universities, which is under the general direction and control of the Florida Board of Governors. The University is directly governed by a Board of Trustees (Trustees) consisting of thirteen members. The Governor appoints six citizen members and the Board of Governors appoints five citizen members. These members are confirmed by the Florida Senate and serve staggered terms of five years. The chair of the faculty senate and the president of the student body of the University are also members. The Board of Governors establishes the powers and duties of the Trustees. The Trustees are responsible for setting policies for the University, which provide governance in accordance with State law and Board of Governors' Regulations. The Trustees select the University President. The University President serves as the executive officer and the corporate secretary of the Trustees, and is responsible for administering the policies prescribed by the Trustees.

Criteria for defining the reporting entity are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. These criteria were used to evaluate potential component units for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the primary government's financial statements to be misleading or incomplete. 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.

Blended Component Unit. Based on the application of the criteria for determining component units, the Florida International University College of Medicine Self-Insurance Program (the Program) is included within the University's reporting entity as a blended component unit. The Program was created June 18, 2009, by the Florida Board of Governors, pursuant to Section 1004.24, Florida Statutes and provides professional and general liability protection for faculty, medical residents, and students of the College of Medicine.

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 exclusively to assist the University to achieve excellence by providing supplemental resources from private gifts and bequests, and valuable education support services. The Statute authorizes these organizations to receive, hold, invest, and administer property and to make expenditures to or for the benefit of the University. These organizations and their purposes are explained as follows:

- Florida International University Foundation, Inc. (Foundation) – Encourages, solicits, receives, and administers gifts and bequests of property and funds for the advancement of the University and its objectives.

FLORIDA INTERNATIONAL UNIVERSITY
A COMPONENT UNIT OF THE STATE OF FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

- Florida International University Research Foundation, Inc. (Research Foundation) – Promotes, encourages, and assists research and training activities of faculty, staff, and students of the University through income from contracts, grants, and other sources, including, but not limited to, income derived from or related to the development and commercialization of University work products.
- FIU Athletics Finance Corporation (Finance Corporation) – Supports the University in matters pertaining to the financing of the University's football stadium and subsequent managing and operating of the facility.
- The Florida International University Academic Health Center Health Care Network Faculty Group Practice, Inc. (Health Care Network) – Improves and supports health education at FIU.

An annual audit of each organization's financial statements is conducted by independent certified public accountants. The annual reports are submitted to the Auditor General and the University Board of Trustees. Additional information on the University's discretely presented component units, including copies of audit reports, is available by contacting the University Controller. Condensed financial statements for the University's discretely presented component units are shown in a subsequent note.

Basis of Presentation. The University's accounting policies conform with accounting principles generally accepted in the United States of America applicable to public colleges and universities as prescribed by GASB. The National Association of College and University Business Officers (NACUBO) also provides the University with recommendations prescribed in accordance with generally accepted accounting principles promulgated by GASB and the Financial Accounting Standards Board (FASB). GASB allows public universities various reporting options. The University has elected to report as an entity engaged in only business-type activities. This election requires the adoption of the accrual basis of accounting and entity-wide reporting including the following components:

- Management's Discussion and Analysis
- Basic Financial Statements:
    - Statement of Net Assets
    - Statement of Revenues, Expenses, and Changes in Net Assets
    - Statement of Cash Flows
    - Notes to Financial Statements
- Other Required Supplementary Information

Basis of Accounting. Basis of accounting refers to when revenues, expenses, and related assets and liabilities are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the measurement focus applied. The University's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange activities are generally recognized when all applicable eligibility requirements, including time requirements, are met.

FLORIDA INTERNATIONAL UNIVERSITY
A COMPONENT UNIT OF THE STATE OF FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

The University's blended and discretely presented component units use the economic resources measurement focus and accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred. The Florida International University Foundation, Inc., follows FASB standards of accounting and financial reporting for not-for-profit organizations. The Florida International University Research Foundation, Inc., the FIU Athletics Finance Corporation, and the FIU Academic Health Center Health Care Network Faculty Group Practice, Inc., and the blended component unit follow the GASB standards of accounting and financial reporting because they meet the criteria regarding the popular election of officers or appointment of a controlling majority of the members of the organization's governing body by one or more State or local governments.

The University applies all applicable GASB pronouncements and, in accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the University has elected to apply those FASB pronouncements issued on or before November 30, 1989, not in conflict with GASB standards.

Significant interdepartmental sales between auxiliary service departments and other institutional departments have been accounted for as reductions of expenses and not revenues of those departments.

The University's principal operating activities consist of instruction, research, and public service. Operating revenues and expenses generally include all fiscal transactions directly related to these activities as well as administration, operation and maintenance of capital assets, and depreciation on capital assets. Nonoperating revenues include State noncapital appropriations, Federal and State student financial aid, investment income (net of unrealized gains or losses on investments) and revenues for capital construction projects. Interest on capital asset-related debt is a nonoperating expense.

The statement of net assets 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 assets is presented by major sources and is reported net of tuition scholarship allowances. Tuition scholarship allowances are the differences between the stated charge for goods and services provided by the University and the amount that is actually paid by a student or a third party making payment on behalf of the student. The University applied "The Alternate Method" as prescribed in NACUBO Advisory Report 2000-05 to determine the reported net tuition scholarship allowances. Under this method, the University computes these amounts by allocating the cash payments to students, excluding payments for services, on a ratio of total aid to the aid not considered third-party aid.

The statement of cash flows is presented using the direct method in compliance with GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting.*

FLORIDA INTERNATIONAL UNIVERSITY
A COMPONENT UNIT OF THE STATE OF FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

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 in banks. The Foundation places substantially all of its cash with high quality financial institutions which the Foundation believes limits this risk. At June 30, 2012, the Foundation did not exceed these limits. Cash and cash equivalents held with the Foundation's brokerage account at Merrill Lynch are insured by the Securities Investor Protector Corp. The balance of this account was $100 as of June 30, 2012.

In addition to insurance provided by the Federal Depository Insurance Corporation (FDIC), the Foundation, the Finance Corporation, the Health Care Network, and the Research Foundation deposits, with the exception of the Research Foundation's deposits held in Tanzania and Burkina Faso in West Africa, 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 in the preceding paragraph, are insured or collateralized with securities held by the entity or its agent in the entity's name.

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

In February 2012, the Research Foundation opened a bank account in Burkina Faso in West Africa to support the operations pertaining to the West Africa Water Supply, Sanitation and Hygiene (WA-WASH) Program under a U.S. Agency for International Development (USAID) grant. The balance in this account of $90,138 as of June 30, 2012, is not FDIC insured and is subject to foreign exchange risk. The Research Foundation maintains its cash balances with high quality financial institutions, which the Research Foundation believes limits these risks.

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; computer software; and property under capital leases and leasehold improvements. 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.

FLORIDA INTERNATIONAL UNIVERSITY
A COMPONENT UNIT OF THE STATE OF FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

The Florida Board of Governors approved Regulation 9.002, *Recording and Marking of Property*, effective July 1, 2011, revising the capitalization threshold for tangible personal property. The revision to the regulation was designed to achieve administrative efficiencies and cost savings by increasing the capitalization threshold of University tangible personal property from $1,000 to $5,000 and library resources from $25 to $250. Previously capitalized tangible personal property costing between $1,000 and $5,000 and library resources costing between $25 to $250 and related accumulated depreciation amounts as of June 30, 2011, were written off during the 2011-12 fiscal year. The adjustment column in the capital assets note disclosure shows the change by category resulting from the increase in the threshold.

The change in the capitalization threshold resulted in $27,951,210 other nonoperating expense in the statement of revenues, expenses, and changes in net assets. This is a nonrecurring, noncash item and has been reported as a supplemental disclosure of noncash investing and capital financing activities in the statement of cash flows.

The University has a capitalization threshold of $5,000 for tangible personal property and $50,000 for buildings, leasehold improvements and other improvements. Depreciation is computed on the straight-line basis over the following estimated useful lives:

- Buildings – 20 to 50 years
- Infrastructure and Other Improvements – 15 years
- Furniture and Equipment – 3 to 20 years
- Library Resources – 10 years
- Property Under Capital Leases – 5 years
- Leasehold Improvements – Various based on lease terms
- Computer Software – 5 years

Depreciable assets of the Foundation are stated at cost and are net of accumulated depreciation of $3,302,069. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, ranging from 5 to 40 years.

Depreciable assets of the Health Care Network are stated at cost and are net of accumulated depreciation of $165,793. Depreciation is provided using the straight-line method over the estimated useful lives from 5 to 15 years for the assets.

Noncurrent Liabilities. Noncurrent liabilities include capital improvement debt payable, capital leases payable, compensated absences payable, other postemployment benefits payable, liability for self-insurance, and other long-term liabilities that are not scheduled to be paid within the next fiscal year. Capital improvement debt is reported net of unamortized premium or discount and deferred losses on refunding. The University amortizes debt premiums and discounts over the life of the debt using the straight-line method. Deferred losses on refundings are amortized over the life of the old debt or new debt (whichever is shorter) using the straight-line method. Issuance costs paid from the debt proceeds are reported as deferred charges, and are amortized over the life of the debt using the straight-line method.

FLORIDA INTERNATIONAL UNIVERSITY
A COMPONENT UNIT OF THE STATE OF FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

2. INVESTMENTS

Section 1011.42(5), Florida Statutes, authorizes universities to invest funds with the State Treasury and State Board of Administration (SBA), and requires that universities comply with the statutory requirements governing investment of public funds by local governments. Accordingly, universities are subject to the requirements of Chapter 218, Part IV, Florida Statutes. The University's Board of Trustees has adopted a written investment policy providing that surplus funds of the University shall be invested in those institutions and instruments permitted under the provisions of Florida Statutes. Pursuant to Section 218.415(16), Florida Statutes, the University is authorized to invest in the Florida PRIME investment pool administered by the SBA; interest-bearing time deposits and savings accounts in qualified public depositories, as defined in Section 280.02, Florida Statutes; direct obligations of the United States Treasury; obligations of Federal agencies and instrumentalities; securities of, or interests in, certain open-end or closed-end management type investment companies; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; and other investments approved by the University's Board of Trustees as authorized by law. Investments set aside to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital assets are classified as restricted.

The University's investments at June 30, 2012, are reported at fair value, as follows:

Investment Type	Amount
External Investment Pools:	
State Treasury Special Purpose Investment Account	$ 68,679,810
State Board of Administration Florida PRIME	395
State Board of Administration Fund B Surplus Funds Trust Fund	8,896
State Board of Administration Debt Service Accounts	4,651,901
Mutual Funds:	
Limited Partnerships	30,880,261
Equities	72,252,794
Fixed Income and Bond Mutual Funds	107,196,845
Commodities	24,178,165
Money Market Mutual Funds	35,112,820
Total University Investments	$ 342,961,887

External Investment Pools

State Treasury Special Purpose Investment Account

The University reported investments at fair value totaling $68,679,810 at June 30, 2012, in the State Treasury Special Purpose Investment Account (SPIA) investment pool, representing ownership of a share of the pool, not the underlying securities. The SPIA carried a credit rating of A+f by Standard & Poor's and had an effective duration of 2.38 years at June 30, 2012. 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.

FLORIDA INTERNATIONAL UNIVERSITY
A COMPONENT UNIT OF THE STATE OF FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

State Board of Administration Florida PRIME

At June 30, 2012, the University reported investments totaling $395 in the Florida PRIME investment pool administered by the SBA pursuant to Section 218.405, Florida Statutes. The University's investments in the Florida PRIME investment pool, which the SBA indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, at June 30, 2012, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. The Florida PRIME investment pool carried a credit rating of AAAm by Standard & Poor's and had a weighted-average days to maturity (WAM) of 38 days as of June 30, 2012. A portfolio's WAM reflects the average maturity in days, based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the Florida PRIME investment pool to interest rate changes. The investments in the Florida PRIME investment pool are reported at fair value, which is amortized cost.

State Board of Administration Fund B Surplus Funds Trust Fund

The Fund B Surplus Funds Trust Fund (Fund B) is administered by the SBA pursuant to Sections 218.405 and 218.417, Florida Statutes, and is not subject to participant withdrawal requests. Distributions from Fund B, as determined by the SBA, are effected by transferring eligible cash or securities to the Florida PRIME investment pool, consistent with the pro rata allocation of pool shareholders of record at the creation date of Fund B on December 4, 2007. One hundred percent of such distributions from Fund B are available as liquid balance within the Florida PRIME investment pool.

At June 30, 2012, the University reported investments at fair value of $8,896 in Fund B. The University's investments in Fund B are accounted for as a fluctuating net asset value pool, with a fair value factor of 0.83481105 at June 30, 2012. The weighted-average life (WAL) of Fund B at June 30, 2012, was 5.73 years. A portfolio's WAL is the dollar-weighted average length of time until securities held reach maturity and is based on legal final maturity dates for Fund B as of June 30, 2012. WAL measures the sensitivity of Fund B to interest rate changes. The University's investment in Fund B is unrated.

State Board of Administration Debt Service Accounts

The University reported investments totaling $4,651,901 at June 30, 2012, 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 or credit risk for these accounts. Disclosures for the Debt Service Accounts are included in the notes to financial statements of the State's Comprehensive Annual Financial Report.

Fixed Income and Bond Mutual Funds

The University invested in various mutual funds in accordance with the University's investment policy. The following risks apply to the University's fixed income and bond mutual fund investments:

FLORIDA INTERNATIONAL UNIVERSITY
A COMPONENT UNIT OF THE STATE OF FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

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, 2012, are as follows:

University Debt Investment Maturities

Type of Investment	Investment Maturities (In Years)				
	Fair Market Value	Less Than 1	1-5	6-10	More Than 10
Fixed Income Mutual Fund	$ 64,190,865	$ 8,909,692	$ 30,034,906	$ 11,560,775	$ 13,685,492
TIPS Index Fund	20,817,959	59,293	7,364,392	7,001,080	6,393,194
High Yield Bond Mutual Fund	22,188,021	3,683,212	7,042,478	10,197,615	1,264,716
Total	$ 107,196,845	$ 12,652,197	$ 44,441,776	$ 28,759,470	$ 21,343,402

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2012, 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
Fixed Income Mutual Fund	$ 64,190,865	$39,060,142	$ 1,598,353	$ 9,249,904	$14,282,466
TIPS Index Fund	20,817,959	20,812,793			5,166
High Yield Bond Mutual Fund	22,188,021	643,453		1,393,408	20,151,160
Total	$ 107,196,845	$ 60,516,388	$ 1,598,353	$ 10,643,312	$ 34,438,792

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the University's investment in a single issuer. The University's investment policy addresses the issue of concentration of credit risk by establishing the following restrictions:

- Maximum position in an individual security (excluding Government securities) must not exceed 5 percent of the account market value.
- Maximum position in any one issuer (excluding Government securities) must not exceed 5 percent of the account market value.

Component Units Investments

The Foundation's investments at June 30, 2012, are reported at fair value as follows:

FLORIDA INTERNATIONAL UNIVERSITY
A COMPONENT UNIT OF THE STATE OF FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

Investment Type	Amount
Domestic Common Stocks and Equity Funds	$ 87,337,046
Fixed Income Securities and Funds	39,591,721
Hedge Funds and Interest in Private Equity Partnerships and Limited Liability Companies	33,581,817
International Equity Securities	7,635,585
Subtotal	168,146,169
Plus Accrued Income	368,417
Total	$ 168,514,586

Concentration of Credit Risk: 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, 2012, $168,514,586 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 investments are made in accordance with the trust indenture dated April 1, 2007. The investments at June 30, 2012, are reported at fair value, as follows:

Investment Type	Amount
External Investment Pools:	
State Board of Administration:	
Fund B Surplus Funds Trust Fund	$ 574,230
Money Market Funds	4,228,363
Total	$ 4,802,593

Concentration of Credit Risk: The Finance Corporation maintains investment accounts with financial institutions that are not insured by FDIC. Fund shares are not guaranteed by the United States government. Current and future portfolio holdings are subject to risk. At June 30, 2012, $4,802,593 was held in these accounts. The Finance Corporation believes that the number, diversity, and financial strength of the issuers mitigate the credit risks associated with all investments.

At June 30, 2012, the Finance Corporation reported investments in a Federated Government Obligations Fund at fair value of $4,228,363. This is a money market mutual fund seeking to provide current income consistent with stability of principle by investing in a portfolio of short-term, U.S. treasury and government securities. The Fund prices of fixed-income securities generally fall when interest rates rise. Interest rate changes have a greater effect on the price of fixed-income securities with longer maturities. The money market mutual fund WAM at June 30, 2012, is 42 days while the WAL is 76 days. The fund is rated AAAm by Standard & Poor's, Aaa-mf by Moody's and AAAmmf by Fitch. The fund complies with the requirements of Rule 2a-7 under the 1940 Act, which sets forth portfolio quality and diversification restrictions for money market mutual funds.

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3. 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, 2012, the University reported the following amounts as accounts receivable:

Description	Amount
Student Tuition and Fees	$ 20,256,414
Contracts and Grants	7,602,078
Other	253,951
Total Accounts Receivable, Net	$ 28,112,443

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. Student tuition and fees receivable, contracts and grants receivable, other receivables, and loans and notes receivable, are reported net of allowances of $19,489,241, $1,074,231, $473,842 and $1,384,160, respectively, at June 30, 2012.

4. DUE FROM STATE

This amount consists of $111,622,679 of Public Education Capital Outlay funds due from the State for the construction of University facilities.

5. INVENTORIES

Inventories have been categorized into the following two types:

- Departmental Inventories – Those inventories maintained by departments and not available for resale. Departmental inventories are comprised of such items as classroom and laboratory supplies, teaching materials, and office supply items, which are consumed in the teaching and work process. These inventories are normally expensed when purchased and therefore are not reported on the statement of net assets.
- Merchandise Inventory – Those inventories maintained which are available for resale to individuals and other University departments, and are not expensed at the time of purchase. These inventories are comprised of telephone, information technology, and pharmaceutical supplies, and items maintained at the University's duplicating service center. Merchandise inventories are reported on the statement of net assets, and are valued at cost using the first-in, first-out, method.

6. CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2012, is shown below:

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Description	Beginning Balance	Adjustments (1)	Additions	Reductions	Ending Balance
Nondepreciable Capital Assets:					
Land	$ 30,989,550	$	$	$	$ 30,989,550
Works of Art and Historical Treasures	4,280,494	(1,484,235)	225,392	36,182	2,985,469
Construction in Progress	80,559,266		41,943,386	42,714,670	79,787,982
Total Nondepreciable Capital Assets	$ 115,829,310	$ (1,484,235)	$ 42,168,778	$ 42,750,852	$ 113,763,001
Depreciable Capital Assets:					
Buildings	$ 743,907,869	$	$ 40,300,712	$ 187,298	$ 784,021,283
Infrastructure and Other Improvements	14,676,851		2,414,958		17,091,809
Furniture and Equipment	180,786,730	(63,878,734)	14,772,595	22,557,445	109,123,146
Library Resources	116,940,310	(19,862,899)	7,202,810		104,280,221
Property Under Captal Leases and Leasehold Improvements	2,940,122		394,288	2,696,758	637,652
Computer Software	2,751,656	(743,444)	499,961	681,878	1,826,295
Total Depreciable Capital Assets	1,062,003,538	(84,485,077)	65,585,324	26,123,379	1,016,980,406
Less, Accumulated Depreciation:					
Buildings	209,860,306		21,318,647	29,468	231,149,485
Infrastructure and Other Improvements	12,703,292		320,476	1,947	13,021,821
Furniture and Equipment	133,228,905	(46,780,594)	7,816,989	18,804,944	75,460,356
Library Resources	60,820,067	(10,720,039)	8,445,692		58,545,720
Property Under Captal Leases and Leasehold Improvements	2,367,472		474,395	2,696,758	145,109
Computer Software	1,833,344	(517,469)	281,666	600,556	996,985
Total Accumulated Depreciation	420,813,386	(58,018,102)	38,657,865	22,133,673	379,319,476
Total Depreciable Capital Assets, Net	$ 641,190,152	$ (26,466,975)	$ 26,927,459	$ 3,989,706	$ 637,660,930

Note: (1) The adjustment to capital assets is the result of a change in the capitalization threshold for tangible personal property from $1,000 to $5,000, effective July 1, 2011.

7. DEFERRED REVENUE

Deferred revenue includes Public Education Capital Outlay (PECO) and Capital Improvement Trust Fund appropriations for which the University had not yet received approval from the Florida Department of Education, as of June 30, 2012, to spend the funds, and student tuition and fees received prior to fiscal year-end related to subsequent accounting periods. In addition, deferred revenue also includes prepaid stadium rental income received from the Finance Corporation, contracts and grants payments received in advance, nonrefundable admission fees, student housing fees, athletic revenues and student trust fund fees received prior to fiscal year-end related to subsequent accounting periods.

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As of June 30, 2012, the University reported the following amounts as deferred revenue:

Description	Amount
Capital Appropriations	$ 56,708,742
Contracts and Grants	4,327,076
Admission Fees	1,675,812
Stadium Rental Income	1,221,959
Student Housing Fees	821,434
Athletic Revenues	44,747
Student Trust Fund Fees	3,800
Total Deferred Revenue	$ 64,803,570

8. LONG-TERM LIABILITIES

Long-term liabilities of the University at June 30, 2012, include capital improvement debt payable, capital leases payable, compensated absences payable, other postemployment benefits payable, liability for self-insured claims, and other long-term liabilities. Other long-term liabilities consist of the long-term portion of deferred revenues and Federal advances payable. Long-term liabilities activity for the fiscal year ended June 30, 2012, is shown below:

Description	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Capital Improvement Debt Payable	$124,242,506	$ 77,510,117	$ 35,921,680	$165,830,943	$ 7,147,618
Capital Leases Payable	824,866	55,796	584,936	295,726	162,571
Compensated Absences Payable	34,169,658	1,862,921	2,685,193	33,347,386	2,461,037
Other Postemployment Benefits Payable	12,082,000	8,561,000	1,458,000	19,185,000	
Liability for Self-Insured Claims	243,766	55,785	86,753	212,798	21,280
Other Long Term Liabilities	2,572,065	49,239,496	73,420	51,738,141	
Total Long-Term Liabilities	$174,134,861	$137,285,115	$ 40,809,982	$270,609,994	$ 9,792,506

Capital Improvement Debt Payable. The University had the following capital improvement debt payable outstanding at June 30, 2012:

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Capital Improvement Debt Type and Series	Amount of Original Debt	Amount Outstanding (1)	Interest Rates (Percent)	Maturity Date To
Student Housing Debt:				
2004A Student Apartments	$ 53,915,000	$ 38,472,623	4.00 - 5.00	2034
2011A Student Apartments Refunding	22,210,000	23,276,571	3.00 - 5.00	2025
2012A Student Apartments	53,655,000	54,188,883	3.00 - 4.25	2041
Total Student Housing Debt	129,780,000	115,938,077		
Parking Garage Debt:				
1995 Parking Garage	7,780,000	2,274,440	5.375	2016
1999 Parking Garage	7,530,000	3,580,916	5.25 - 5.625	2019
2002 Parking Garage	22,915,000	13,732,036	3.50 - 4.60	2022
2009 Parking Garage A&B	32,000,000	30,305,474	2.00 - 6.875	2039
Total Parking Garage Debt	70,225,000	49,892,866		
Total Capital Improvement Debt	$ 200,005,000	$ 165,830,943		

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

The University has pledged a portion of future housing rental revenues, parking fees, and an assessed transportation fee per student to repay $200,005,000 in capital improvement (housing, parking, etc.) revenue bonds issued by the Florida Board of Governors on behalf of the University. Proceeds from the bonds provided financing to construct student 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 2041. 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 $264,571,064, and principal and interest paid for the current year totaled $12,827,890. During the 2011-12 fiscal year, housing rental income, traffic and parking fees, and assessed transportation fees totaled $25,059,246, $4,833,571, and $8,216,137, respectively.

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

- On December 21, 2011, the Florida Board of Governors issued $22,210,000 of Capital Improvement Housing Revenue Refunding Bonds, Series 2011A. The University's portion of the refunding bonds $22,210,000 was used to defease $23,215,000 of outstanding Capital Improvement Housing Revenue Bonds, Series 1998 and 2000. 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 assets. As a result of the refunding, the University reduced its capital improvement debt service requirement by $3,607,328 over the next 14 years and obtained an economic gain of $2,982,190. At June 30, 2012, there was no outstanding balance of the defeased debt.

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- On May 3, 2012, the Florida Board of Governors issued $53,655,000 of Capital Improvement Housing Revenue Bonds, Series 2012A. A portion of the capital improvement debt proceeds was used to defease the remaining $6,220,000 of outstanding Capital Improvement Housing Revenue Bonds, Series 1998, with the remaining portion used to finance the construction of a housing facility on the main campus of the University. A portion of the proceeds will be 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 assets. As a result of the refunding, the University reduced its capital improvement debt service requirement by $646,260 over the next 17 years and obtained an economic gain of $432,709. At June 30, 2012, there was no outstanding balance of the defeased debt.

Annual requirements to amortize all capital improvement debt outstanding as of June 30, 2012, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2013	$ 6,790,000	$ 7,456,451	$ 14,246,451
2014	8,095,000	7,180,382	15,275,382
2015	8,430,000	6,855,999	15,285,999
2016	8,780,000	6,487,368	15,267,368
2017	6,430,000	6,097,542	12,527,542
2018-2022	34,440,000	26,076,276	60,516,276
2023-2027	29,075,000	19,251,583	48,326,583
2028-2032	25,510,000	12,891,838	38,401,838
2033-2037	22,620,000	6,701,387	29,321,387
2038-2041	13,910,000	1,492,238	15,402,238
Subtotal	164,080,000	100,491,064	264,571,064
Plus: Net Bond Discounts, Premiums, and Losses on Bond Refundings	1,750,943		1,750,943
Total	$ 165,830,943	$ 100,491,064	$ 266,322,007

Capital Leases Payable. Food service equipment and vehicles in the amount of $960,415 are being acquired under capital lease agreements. The stated interest rates range from 3.45 to 5.50 percent.

Future minimum payments under the capital lease agreements and the present value of the minimum payments as of June 30, 2012, are as follows:

Fiscal Year Ending June 30	Amount
2013	$ 174,817
2014	66,402
2015	66,403
2016	12,390
2017	2
Total Minimum Payments	320,014
Less, Amount Representing Interest	(24,288)
Present Value of Minimum Payments	$ 295,726

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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, 2012, the estimated liability for compensated absences, which includes the University's share of the Florida Retirement System and FICA contributions, totaled $33,347,386. The current portion of the compensated absences liability, $2,461,037, is 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.

Other Postemployment Benefits Payable. The University follows GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for certain postemployment healthcare benefits administered by the State Group Health Insurance Program.

Plan Description. Pursuant to the provisions of Section 112.0801, Florida Statutes, all employees who retire from the University are eligible to participate in the State Group Health Insurance Program, an agent multiple-employer, defined-benefit plan (Plan). The University subsidizes the premium rates paid by retirees by allowing them to participate in the Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the Plan on average than those of active employees. Retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. A stand-alone report is not issued and the Plan information is not included in the report of a public employee retirement system or another entity.

Funding Policy. Plan benefits are pursuant to the provisions of Section 112.0801, Florida Statutes, and benefits and contributions can be amended by the Florida Legislature. The University has not advance-funded or established a funding methodology for the annual other postemployment benefit (OPEB) costs or the net OPEB obligation, and the Plan is financed on a pay-as-you-go basis. For the 2011-12 fiscal year, 369 retirees received postemployment healthcare benefits. The University provided required contributions of $1,458,000 toward the annual OPEB cost, comprised of benefit payments made on behalf of retirees for claims expenses (net of reinsurance), administrative expenses, and reinsurance premiums. Retiree contributions totaled $2,194,000.

Annual OPEB Cost and Net OPEB Obligation. The University's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

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The following table shows the University's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the University's net OPEB obligation:

Description	Amount
Normal Cost (Service Cost for One Year)	$ 4,803,000
Amortization of Unfunded Actuarial Accrued Liability	3,367,000
Interest on Normal Cost and Amortization	327,000
Annual Required Contribution	8,497,000
Interest on Net OPEB Obligation	483,000
Adjustment to Annual Required Contribution	(419,000)
Annual OPEB Cost (Expense)	8,561,000
Contribution Toward the OPEB Cost	(1,458,000)
Increase in Net OPEB Obligation	7,103,000
Net OPEB Obligation, Beginning of Year	12,082,000
Net OPEB Obligation, End of Year	$ 19,185,000

The University's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation as of June 30, 2012, and for the two preceding fiscal years, were as follows:

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2009-10	$ 5,521,000	24.6%	$ 8,240,000
2010-11	5,222,000	26.4%	12,082,000
2011-12	8,561,000	17.0%	19,185,000

Funded Status and Funding Progress. As of July 1, 2011, the most recent actuarial valuation date, the actuarial accrued liability for benefits was $101,015,000, and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability of $101,015,000 and a funded ratio of 0 percent. The covered payroll (annual payroll of active participating employees) was $280,051,835 for the 2011-12 fiscal year, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 36.1 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan provisions, as understood by the employer and participating members, and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and participating members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The University's OPEB actuarial valuation as of July 1, 2011, used the entry-age cost actuarial method to estimate the actuarial accrued liability as of June 30, 2012, and the University's 2011-12 fiscal year ARC. This method was selected because it is the same method used for the valuation of the Florida Retirement System. Because the OPEB liability is currently unfunded, the actuarial assumptions included a 4 percent rate of return on invested assets, which is the University's expectation of investment returns under its investment policy. The actuarial assumptions also included a payroll growth rate of 4 percent per year. Healthcare cost trend rates were 7.24, 8.38, and 8.57 percent for the first three years, respectively, for all retirees in the Preferred Provider Option (PPO) Plan, and 5.81, 3.11, and 8.42 percent for the first three years for all retirees in the Health Maintenance Organization (HMO) Plan. The PPO and HMO healthcare trend rates are both 6.5 percent in the fourth year, grading identically to 5.0 percent over 70 years. The unfunded actuarial accrued liability is being amortized over 30 years using the level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2012, was 25 years.

Other Long-Term Liabilities. This amount includes the long-term portion of deferred revenues ($49,239,496), related to PECO and Capital Improvement Trust Fund appropriations and prepaid stadium rental income received from the Finance Corporation, and of Federal advances payable ($2,498,645) provided to fund the University's Federal Perkins Loan Program.

9. COMPONENT UNIT DEBT ISSUES

Notes Payable – Florida International University Foundation, Inc.

On January 20, 2000, the Miami-Dade County Educational Facilities Authority (the Authority) issued $13 million tax-exempt revenue bonds (Florida International University Foundation Project – Series 1999). These bonds are payable from and secured by a pledge of payments to be made to the Authority under a loan agreement dated December 1, 1999, between the Foundation, and the Authority.

The bonds are secured by an irrevocable letter of credit issued by a commercial bank as described below. The Foundation will finance the payments to the Authority under the loan agreement with lease payments received from the University under an operating lease (see note 13). 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 50 percent of the original issue, $6.5 million, has been synthetically fixed at 4.63 percent through February 1, 2015, by way of an interest rate swap agreement with a commercial bank (see note 10). The bond proceeds are being 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, 2012, the outstanding principal balance due under this note payable was $8.18 million. For the year ended June 30, 2012, total interest incurred and paid was $351,171.

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On December 1, 1999, the Foundation entered into a letter of credit agreement with a commercial bank that permitted the Foundation to borrow up to $13 million through December 15, 2004, bearing interest at the prime rate plus 2 percent. On November 29, 2004, this agreement was extended, with the same terms and conditions, through December 15, 2009. There were two additional extensions subsequent to that date through July 30, 2010. The Foundation must pay an annual commitment fee of 0.45 percent on the unused portion of the commitment. Borrowings under the financing agreement mature 90 days after the date of the borrowing.

Under the letter of credit agreement and loan agreement noted above, the Foundation is obligated under certain debt covenants with which they are in compliance.

The bonds were repurchased by the Trustee under the SunTrust 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 commercial 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 one month London Interbank Offered Rate (LIBOR) plus 1.68 percent. The bond maturity date of May 1, 2022, remains unchanged as does the swap agreement. On July 30, 2010, the Foundation paid $52,213 in refinancing fees to complete this transaction. Since the terms remained substantially the same and the present value of the cash outflows is not substantially different, this is not considered an exchange of debt instruments.

The aggregate maturities of the notes payable, as of June 30, 2012, are shown in the following table:

Fiscal Year Ending June 30	Amount
2013	$ 640,000
2014	670,000
2015	705,000
2016	745,000
2017	785,000
Thereafter	4,635,000
Total	$ 8,180,000

Notes Payable – The Florida International University Academic Health Center Health Care Network Faculty Group Practice, Inc.

On June 1, 2009, the Health Care Network entered into a loan agreement totaling $100,000 with FIU in order to fund startup costs associated with the operations. This agreement was amended on January 25, 2010, reducing the total principal payment due to $51,100. Interest on the loan accrues at 3.25 percent and the loan is scheduled to mature on May 31, 2013.

On August 27, 2010, the Health Care Network entered into a loan agreement totaling $5,321,198 with the University in order to provide working capital and build out capital to fund the expansion of the faculty practice plan and the establishment of the ambulatory care center and other University clinical activities. Interest on the loan accrues at 2 percent simple interest and the loan is scheduled to mature on June 1, 2030. Draw downs on

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the loan for the fiscal year ended June 30, 2012, totaled $3,587,313, of which $1,636,001 were expended for construction leasehold improvements to the site at PG 5 Market Station and related furniture and equipment to make the site operational. Furthermore, $1,710,266 of these drawdowns were related to expenses paid directly by the University on behalf of the Health Care Network. The loan also includes approximately $29,000 of accrued interest as of June 30, 2012. Payments on the loan are scheduled to begin on June 1, 2015, at which time draw downs on the loan will be completed and a final amortization schedule will be available.

Estimated principal and interest payments for the life of the amounts due to the University based on the balances as of June 30, 2012, are due as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2013	$ 27,674	$ 77,347	$ 105,021
2014		77,977	77,977
2015		77,977	77,977
2016		77,977	77,977
2017		77,977	77,977
2018-2022	1,355,009	342,410	1,697,419
2023-2027	1,496,040	195,682	1,691,722
2028-2030	971,363	40,691	1,012,054
Total	$ 3,850,086	$ 968,038	$ 4,818,124

Bonds Payable – FIU Athletics Finance Corporation

On December 1, 2009, the Finance Corporation issued $30,000,000 of Miami-Dade County Industrial Development Authority Revenue Bonds Series 2009A and $5,310,000 of Miami-Dade County Industrial Development Authority Taxable Revenue Bonds Series 2009B.

These bonds were issued and secured under and pursuant to the Trust Indenture. Repayments of the bonds will be payable from pledged revenues, which are all operating and nonoperating revenues. Principal payments for the bonds began March 1, 2010. Interest payments are made on a quarterly basis. The interest rate on the Series 2009A Bonds is equal to the sum of 63.7 percent of three-month LIBOR plus 1.90 percent. The interest rate on the Series 2009B Bonds shall be at a rate equal to three-month LIBOR plus 2.65 percent. The total proceeds from the new bond issue were used solely to retire and refund the outstanding Series 2007 A and B bonds and pay costs of issuance of the bonds and other refinancing costs. The bonds are secured by operating and nonoperating revenues as well as University athletic fees, not to exceed 5 percent of the total athletic fees collected. Total principal due at June 30, 2012, was $33,385,910.

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 $3,061,976 and is presented in restricted investments.

The Finance Corporation is required to maintain minimum deposits of $2,500,000 with Regions Bank. The deposit is to be held in an interest-bearing additional reserve fund and is presented in restricted cash.

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The interest rate on these bonds is both fixed and variable and is subject to a swap agreement (see note 10) 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, 2012, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2013	$ 636,987	$ 1,627,027	$ 2,264,014
2014	656,479	1,677,592	2,334,071
2015	676,567	1,719,051	2,395,618
2016	697,270	1,684,647	2,381,917
2017	1,090,035	1,649,191	2,739,226
2018-2022	7,121,429	7,232,351	14,353,780
2023-2027	8,885,714	5,136,675	14,022,389
2028-2032	11,085,714	2,521,878	13,607,592
2033	2,535,715	136,308	2,672,023
Subtotal	33,385,910	23,384,720	56,770,630
Less: Amount Deferred on Refunding	(364,821)		(364,821)
Total	$ 33,021,089	$ 23,384,720	$ 56,405,809

10. DERIVATIVE FINANCIAL INSTRUMENTS – COMPONENT UNITS

The Foundation and the Finance Corporation entered into derivative instruments (i.e., interest rate swap agreements) to reduce their exposure to market risks from changing interest rates. For interest rate swap agreements, the differential to be paid or received is accrued and recognized as interest expense and may change as market interest rates change. These interest rate swap agreements, and a related Letter of Credit agreement entered into by the Finance Corporation, are discussed below.

Florida International University Foundation, Inc.

On February 1, 2000, the Foundation entered into an interest rate swap agreement with a commercial bank on a notional amount of $6,500,000 which represents 50 percent of the principal amount of the bond issue, as described in note 9. Under the original interest rate swap agreement, the Foundation agreed to pay a fixed rate of 5.03 percent per annum and receive variable rates based on 67 percent of the one-month U.S. Dollar London Interbank Offered Rate (LIBOR). Effective October 1, 2005, the Foundation renegotiated the interest rate swap agreement reducing the interest rate swap to 4.63 percent per annum. The renegotiated interest rate swap agreement expires on February 1, 2015. The derivative liability at June 30, 2012, was $432,872.

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

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effectively change the Finance Corporation's variable interest rate on the bonds to a synthetic fixed rate of 5.50 percent, which is the fixed rate payable by the Finance Corporation under the interest rate swap agreement of 3.60 percent plus 1.90 percent.

Terms. On December 22, 2009, the Finance Corporation entered into an interest rate swap agreement to hedge the floating rate on $21,000,000 of the principal amount of the 2009A Bonds. This represents the fixed portion of the tax exempt bonds payable mentioned above. Under the interest rate swap agreement, the Finance Corporation agrees to pay a synthetic fixed rate of 5.50 percent and receive a variable rate equal to 63.7 percent of three-month LIBOR. The interest rate swap agreement has a maturity date of March 1, 2033.

Fair Value. As of June 30, 2012, the Finance Corporation interest rate swap agreement has a derivative liability of $5,960,658 as reported in the statement of net assets. The negative fair value was determined using Mark-to-Market Value and represents the closing mid-market values.

As of June 30, 2012, the fair value of the Series 2007A ineffective interest rate swap agreement was $2,009,534. This interest rate swap agreement was not terminated when the bonds were refunded in December 2009. The interest rate on the refunded Series 2009 bonds reflects a higher rate due to not terminating this interest rate swap agreement. Accordingly, the fair value of $2,009,534 of the ineffective Series 2007A interest rate swap agreement is being amortized to interest expense over the remaining life of the refunded Series 2009A bond.

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 unit column of the statement of net assets as an other noncurrent asset in the amount of $3,951,124.

Credit Risk: As of June 30, 2012, the Finance Corporation was not exposed to credit risk because the interest rate swap agreement had a negative fair value. However, should interest rates change and the fair value of the interest rate swap agreement become positive, the Finance Corporation would be exposed to credit risk in the amount of the derivative's fair value. The interest rate swap agreement counterparty (Regions Bank) was rated Ba2 by Moody's Investors Service, BBB- by Standard & Poor's and BBB- by Fitch Ratings.

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

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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 (Regions Bank); 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 (Regions Bank) 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 & Poor's; or c) "BBB-" as determined by Fitch.

Swap Payments and Associated Debt. Using rates as of June 30, 2012, debt service requirements of the variable-rate portion of the debt and net swap payments, assuming current interest rates remain the same for their term, are as follows:

Fiscal Year Ending June 30	Variable-Rate Bond Principal	Variable-Rate Bond Interest	Interest Rate Swap, Net	Total
2013	$	$ 399,617	$ 755,383	$ 1,155,000
2014		399,617	755,383	1,155,000
2015		399,617	755,383	1,155,000
2016		399,617	755,383	1,155,000
2017	260,000	399,617	755,383	1,415,000
2018-2022	4,985,000	1,792,186	3,387,714	10,164,900
2023-2027	6,220,000	1,272,874	2,406,076	9,898,950
2028-2032	7,760,000	624,924	1,181,276	9,566,200
2033	1,775,000	33,777	63,848	1,872,625
Total	$ 21,000,000	$ 5,721,846	$ 10,815,829	$ 37,537,675

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

11. RETIREMENT PROGRAMS

Florida Retirement System. Essentially all regular employees of the University are eligible to enroll as members of the State-administered Florida Retirement System (FRS). Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the Florida Retirement System Investment Plan (Investment Plan).

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after

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25 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Members of both Plans may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. University employees already participating in the State University System Optional Retirement Program or DROP are not eligible to participate in this program. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded by employer and employee contributions that are based on salary and membership class (Regular Class, Senior Management Service Class, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Employees in the Investment Plan vest at one year of service.

The State of Florida establishes contribution rates for participating employers and employees. Contribution rates during the 2011-12 fiscal year were as follows:

Class	Percent of Gross Salary	
	Employee	Employer (A)
Florida Retirement System, Regular	3.00	4.91
Florida Retirement System, Senior Management Service	3.00	6.27
Florida Retirement System, Special Risk	3.00	14.10
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes	0.00	4.42
Florida Retirement System, Reemployed Retiree	(B)	(B)

Notes: (A) Employer rates include 1.11 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include .03 percent for administrative costs of the Investment Plan.

(B) Contribution rates are dependent upon retirement class in which reemployed.

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The University's liability for participation is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the University. The University's contributions including employee contributions for the fiscal years ended June 30, 2010, June 30, 2011, and June 30, 2012, totaled $8,493,631, $9,998,061, and $7,113,640, respectively, which were equal to the required contributions for each fiscal year.

There were 436 University participants in the Investment Plan during the 2011-12 fiscal year. The University's contributions including employee contributions to the Investment Plan totaled $1,511,468, which was equal to the required contribution for the 2011-12 fiscal year.

Financial statements and other supplementary information of the FRS are included in the State's Comprehensive Annual Financial Report, which is available from the Florida Department of Financial Services. An annual report on the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services, Division of Retirement.

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 the FRS for six or more years.

The Program is a defined-contribution plan, which provides full and immediate vesting of all contributions submitted to the participating companies on behalf of the participant. Employees in eligible positions can make an irrevocable election to participate in the Program, rather than the FRS, and purchase retirement and death benefits through contracts provided by certain insurance carriers. The employing university contributes, on behalf of the participant, 7.92 percent of the participant's salary, less a small amount used to cover administrative costs and employees contribute 3 percent of the employee's salary. Additionally, the employee may contribute, by payroll deduction, an amount not to exceed the percentage contributed by the University to the participant's annuity account. The contributions are invested in the company or companies selected by the participant to create a fund for the purchase of annuities at retirement.

There were 2,597 University participants during the 2011-12 fiscal year. The University's contributions to the Program totaled $13,325,757 and employee contributions totaled $9,169,959 for the 2011-12 fiscal year.

12. CONSTRUCTION COMMITMENTS

The University's major construction commitments at June 30, 2012, are as follows:

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Project Description	Total Commitment	Completed to Date	Balance Committed
Parkview Housing	$ 51,805,661	$ 3,176,624	$ 48,629,037
Science Classroom Complex	57,763,409	21,283,256	36,480,153
Mixed-use Auxiliary Building	29,575,000	411,605	29,163,395
Robert Stempel College of Public Health and Social Science	23,300,000	1,690,053	21,609,947
Student Academic Support Center	20,146,976	305,934	19,841,042
International Hurricane Center	15,000,000	474,320	14,525,680
FIU Ambulatory Care Center	10,040,500	71,248	9,969,252
Satellite Chiller Plant	7,610,000	2,095,363	5,514,637
USCB Arena Expansion	7,592,137	2,030,231	5,561,906
Football Stadium Expansion	4,820,322	771,103	4,049,219
Utilities/Infrastructure/Capital Renewal	7,259,960	3,396,667	3,863,293
Subtotal	234,913,965	35,706,404	199,207,561
Projects with Balance Committed Under $3 Million	62,683,796	44,081,578	18,602,218
Total	$ 297,597,761	$ 79,787,982	$ 217,809,779

13. OPERATING LEASE COMMITMENTS

The University leased building space under operating leases, which expire in 2027. These leased assets and the related commitments are not reported on the University's statement of net assets. Operating lease payments are recorded as expenses when paid or incurred. Outstanding commitments resulting from these lease agreements are contingent upon future appropriations.

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

Fiscal Year Ending June 30	Amount
2013	$ 3,829,071
2014	4,235,782
2015	3,274,324
2016	3,349,790
2017	3,463,257
2018-2022	16,374,983
2023-2027	1,515,000
Total Minimum Payments Required	$ 36,042,207

14. 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

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$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 $1,327,862 and $1,270,027 for the years ended June 30, 2012, and 2011, respectively.

On December 1, 1999, the former Board of Regents on behalf of the University also entered into a 20-year operating lease agreement with the Foundation for the facility. Under the terms of the operating lease, the University will pay the Foundation rent in the amount equal to all amounts due and payable by the Foundation under the letter of credit agreement, if any, and loan agreement related to the financing of the facility. The payments also include any costs of operating and maintaining the facility, in addition to amounts necessary to pay any unanticipated and extraordinary costs. The lease commenced during August 2002 when the facility became operational. The lease will terminate on May 1, 2022, which is the date of maturity of the loan agreement.

The facility under the above operating lease is not recorded as an asset on the statement of net assets; however, the operational lease payments are recorded as expenses in the statement of revenues, expenses, and changes in net assets 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, 2012:

Fiscal Year Ending June 30	Amount
2013	$ 1,260,000
2014	1,260,000
2015	1,260,000
2016	1,260,000
2017	1,260,000
Thereafter	5,040,000
Total Minimum Payments Required	$ 11,340,000

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 to finance a stadium improvement project located on University premises. Under this agreement the Finance Corporation prepaid to the University for rental of the premises the sum of $31,937,211.

The following schedule by years represents management's best estimate of future minimum rental expense that will be recognized for these sublease agreements:

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Fiscal Year Ending June 30	Amount
2013	$ 1,304,083
2014	1,304,083
2015	1,304,083
2016	1,304,083
2017	1,304,083
2018-2022	6,520,416
2023-2027	6,520,416
2028-2032	6,520,416
2033	1,195,410
Total	$ 27,277,073
Reconciliation of Statement of Net Assets to the Lease Commitment	
Other Current Assets	$ 1,319,900
Other Noncurrent Assets	25,972,990
Less: Other Current Assets	(15,817)
Total Lease Commitments	$ 27,277,073

15. GIFT AGREEMENT – FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC.

The Wolfsonian, Inc. (Wolfsonian), was established in 1986 to create and operate a museum and research center in Miami Beach, Florida, and to support a comprehensive program focused on the collection, exhibition, interpretation, preservation, research and publication of the decorative, or design and architectural arts. The Wolfsonian has been loaned the Mitchell Wolfson, Jr., collection of nearly 27,000 objects of art and rare books dating from the late nineteenth to the mid-twentieth century. It encompasses furniture, sculpture, paintings, books, graphics and other works of art on paper, as well as archives relating to the period. Through a series of academic study and fellowship programs, national and international traveling exhibitions, and scholarly initiatives, the Wolfsonian promotes public education and awareness of the social, historical, technological, political, economic, and artistic material culture of Europe and America in the 1885-1945 period.

On July 1, 1997, the Foundation entered into a gift agreement (Agreement) with Mitchell Wolfson, Jr., the Wolfsonian, and the University, whereby Mitchell Wolfson, Jr., agreed to donate all rights, title, and interest in and to all objects constituting the Mitchell Wolfson, Jr., Collection of Decorative and Propaganda Arts to the Foundation, subject to a loan agreement made and entered into by the Wolfsonian and Mr. Wolfson, Jr., dated July 29, 1991. The loan agreement was extended through to July 2021.

The Foundation has elected to exercise the option of not capitalizing the items that meet the definition of "collection" as prescribed by accounting principles generally accepted in the United States. Therefore, the fair value of the donated Collection of Decorative and Propaganda Arts is not reflected in the accompanying University's financial statements. Purchases of collection items are recorded as decreases in unrestricted net assets in the year in which the items are acquired, or as temporarily or permanently restricted net assets if the

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assets used to purchase the items are restricted by donors. Proceeds from deaccessions or insurance recoveries are reflected as increases in the appropriate net asset 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 $1.9 million during the 2011-12 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 $169,000 during the 2011-12 fiscal year for utilities, repairs, and maintenance expenses for buildings used by the Wolfsonian.

16. 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 2011-12 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 $61 million for named windstorm and flood losses through February 14, 2012, and decreased to $50 million starting February 15, 2012. For perils other than named windstorm and flood, losses in excess of $2 million per occurrence were commercially insured up to $200 million; and losses exceeding those amounts were retained by the State. No excess insurance coverage is provided for workers' compensation, general and automotive liability, Federal Civil Rights and employment action coverage; all losses in these categories are completely self-insured by the State through the State Risk Management Trust Fund established pursuant to Chapter 284, Florida Statutes. Payments on tort claims are limited to $200,000 per person, and $300,000 per occurrence as set by Section 768.28(5), Florida Statutes. Calculation of premiums considers the cash needs of the program and the amount of risk exposure for each participant. Settlements have not exceeded insurance coverage during the past three fiscal years.

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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; $300,000 per occurrence of protection for the participants that are not subject to the provisions of Section 768.28, Florida Statutes; $300,000 per claim protection for participants who engage in approved community service and act as Good Samaritans; and student protections of $100,000 for a claim arising from an occurrence for any one person, $300,000 for all claims arising from an occurrence and professional liability required by a hospital or other health care facility for educational purposes not to exceed per occurrence limit of $1,000,000.

The Self-Insurance Program's estimated liability for unpaid claims at fiscal year-end is the result of management and actuarial analysis and includes an amount for claims that have been incurred but not reported.

Changes in the balances of claims liability for the Self-Insurance Program during the 2011-12 fiscal year and the two preceding 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, 2010	$	$ 83,688	$ (8,429)	$ 75,259
June 30, 2011	75,259	182,510	(14,003)	243,766
June 30, 2012	243,766	55,785	(86,753)	212,798

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17. 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 assets are presented by natural classifications. The following are those same expenses presented in functional classifications as recommended by NACUBO:

Functional Classification	Amount
Instruction	$ 229,017,423
Research	77,924,672
Public Services	8,860,439
Academic Support	79,192,578
Student Services	49,795,378
Institutional Support	46,689,588
Operation and Maintenance of Plant	66,423,001
Scholarships,Fellowships, and Waivers	89,193,592
Depreciation	38,657,865
Auxiliary Enterprises	52,298,722
Loan Operations	13,449
Total Operating Expenses	$ 738,066,707

18. 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:

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Condensed Statement of Net Assets

	Housing Facility Capital Improvement Debt	Parking Facility Capital Improvement Debt
Assets		
Current Assets	$ 21,603,809	$ 9,252,622
Capital Assets, Net	85,439,696	71,843,742
Other Noncurrent Assets	47,807,640	3,439,620
Total Assets	154,851,145	84,535,984
Liabilities		
Current Liabilities	5,520,019	3,176,993
Noncurrent Liabilities	111,786,402	47,254,554
Total Liabilities	117,306,421	50,431,547
Net Assets		
Invested in Capital Assets, Net of Related Debt	15,143,695	22,577,495
Restricted - Expendable	2,773,448	2,845,412
Unrestricted	19,627,581	8,681,530
Total Net Assets	$ 37,544,724	$ 34,104,437

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

	Housing Facility Capital Improvement Debt	Parking Facility Capital Improvement Debt
Operating Revenues	$ 25,060,118	$ 13,049,708
Depreciation Expense	(2,890,780)	(2,142,548)
Other Operating Expenses	(14,684,558)	(7,181,127)
Operating Income	7,484,780	3,726,033
Nonoperating Revenues (Expenses):		
Nonoperating Revenue	219,150	128,434
Interest Expense	(3,202,061)	(2,883,276)
Other Nonoperating Expense	(162,621)	(125,584)
Net Nonoperating Expenses	(3,145,532)	(2,880,426)
Income Before Transfers	4,339,248	845,607
Net Transfers	1,933,861	(993,889)
Capital Grants		642,310
Increase in Net Assets	6,273,109	494,028
Net Assets, Beginning of Year	31,271,615	33,610,409
Net Assets, End of Year	$ 37,544,724	$ 34,104,437

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Condensed Statement of Cash Flows

	Housing Facility Capital Improvement Debt	Parking Facility Capital Improvement Debt
Net Cash Provided (Used) by:		
Operating Activities	$ 10,423,610	$ 7,922,329
Noncapital Financing Activities	9,305	
Capital and Related Financing Activities	36,241,295	(5,596,168)
Investing Activities	(48,510,610)	(2,426,863)
Net Decrease in Cash and Cash Equivalents	(1,836,400)	(100,702)
Cash and Cash Equivalents, Beginning of Year	2,493,864	352,061
Cash and Cash Equivalents, End of Year	$ 657,464	$ 251,359

19. COMPONENT UNITS

The University has four discretely presented component units as discussed in note 1. These component units comprise 100 percent of the transactions and account balances of the aggregate discretely presented component units' columns of the financial statements.

The following financial information is from the most recently available audited financial statements for the component units:

FLORIDA INTERNATIONAL UNIVERSITY
A COMPONENT UNIT OF THE STATE OF FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

	Direct-Support Organizations				Total
	Florida International University Foundation, Inc.	Florida International University Research Foundation, Inc.	FIU Athletics Finance Corporation	FIU Academic Health Center Health Care Network Faculty Group Practice, Inc.	
Condensed Statement of Net Assets					
Assets:					
Current Assets	$ 235,777,831	$ 436,183	$ 4,313,715	$ 380,191	$ 240,907,920
Capital Assets, Net	12,174,915			1,474,656	13,649,571
Other Noncurrent Assets	122,590		36,868,120		36,990,710
Total Assets	248,075,336	436,183	41,181,835	1,854,847	291,548,201
Liabilities:					
Current Liabilities	2,530,105	247,165	1,424,817	129,228	4,331,315
Noncurrent Liabilities	8,866,317		41,993,060	3,822,412	54,681,789
Total Liabilities	11,396,422	247,165	43,417,877	3,951,640	59,013,104
Net Assets:					
Invested in Capital Assets, Net of Related Debt	2,772,984				2,772,984
Restricted	215,047,608				215,047,608
Unrestricted	18,858,322	189,018	(2,236,042)	(2,096,793)	14,714,505
Total Net Assets	$ 236,678,914	$ 189,018	$ (2,236,042)	$ (2,096,793)	$ 232,535,097
Condensed Statement of Revenues, Expenses, and Changes in Net Assets					
Operating Revenues	$ 35,839,013	$ 70,000	$ 3,542,338	$ 321,353	$ 39,772,704
Operating Expenses	(17,984,472)	(23,219)	(2,060,249)	(2,163,862)	(22,231,802)
Operating Income (Loss)	17,854,541	46,781	1,482,089	(1,842,509)	17,540,902
Net Nonoperating Expenses	(2,331,640)		(1,392,280)	(28,630)	(3,752,550)
Increase (Decrease) in Net Assets	15,522,901	46,781	89,809	(1,871,139)	13,788,352
Net Assets, Beginning of Year	221,156,013	142,237	(2,325,851)	(225,654)	218,746,745
Net Assets, End of Year	$ 236,678,914	$ 189,018	$ (2,236,042)	$ (2,096,793)	$ 232,535,097

FLORIDA INTERNATIONAL UNIVERSITY
OTHER REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS – OTHER POSTEMPLOYMENT BENEFITS PLAN

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (1) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
7/1/2007	$	$ 48,762,000	$ 48,762,000	0%	$ 223,494,966	21.8%
7/1/2009		72,099,000	72,099,000	0%	239,559,653	30.1%
7/1/2011		101,015,000	101,015,000	0%	280,051,835	36.1%

Note: (1) The entry-age cost actuarial method was used to calculate the actuarial accrued liability.

FLORIDA INTERNATIONAL UNIVERSITY
OTHER REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

1. SCHEDULE OF FUNDING PROGRESS – OTHER POSTEMPLOYMENT BENEFITS PLAN

The July 1, 2011, unfunded actuarial accrued liability of $101,015,000 was significantly higher than the July 1, 2009, liability of $72,099,000 as a result of changes in the methodology used by the actuary to calculate this liability. The most significant modifications were due to changes in the long-term trend model, an increase in the coverage election assumption, and the passage of the Patient Protection and Affordable Care Act.

AUDITOR GENERAL
STATE OF FLORIDA

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DAVID W. MARTIN, CPA
AUDITOR GENERAL

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The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

We have audited 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, 2012, which collectively comprise the University's basic financial statements, and have issued our report thereon included under the heading **INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS**. Our report on the financial statements was modified to include a reference to 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. Other auditors 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, we considered the University's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements, with which noncompliance could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Our **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*** is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, Federal and other granting agencies, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

David W. Martin, CPA
February 25, 2013

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FIU | FLORIDA INTERNATIONAL UNIVERSITY

October 31, 2012

Mr. Charlie Yadon
Florida Division of Bond Finance
1801 Hermitage Boulevard, Suite 200
Tallahassee, FL 32308

We have prepared the accompanying Statement of Net Assets of Florida International University Parking System as of June 30, 2012, and the related Statements of Revenues, Expenses and changes in Net Assets and Cash Flows for the year then ended, in accordance with accounting standards generally accepted in the United States of America. These statements have NOT been audited; however, the financial information is included in the Florida International University basic financial statements which are currently being audited by the State of Florida Auditor General's Office.

Sincerely,

Cecilia Hamilton

Cecilia Hamilton
Associate Vice President and University Controller

CH/ma

Office of the Controller
Modesto Maidique Campus • 11200 SW 8th Street • CSC 410• Miami, FL 33199 • Tel 305-348-2161 • Fax 305-348-3600 • www.fiu.edu

Parking System
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2012

The Management's Discussion and Analysis introduces the Florida International University's Parking System Annual Financial Statements and provides an analytical overview of the University's Parking System financial activities during the fiscal year ended June 30, 2012. Management has prepared the financial statements and the related note disclosures along with the management's discussion and analysis. Responsibility for the completeness and fairness of this information rests with the University. The management's discussion and analysis is designed to focus on current activities, resulting changes, and currently known facts, and should be read in conjunction with the accompanying financial statements and notes thereto. The Governmental Accounting Standards Board (GASB) is the University's reporting authority.

The University's basic financial statements are comprised of the following:

1. Management's Discussion and Analysis (MD&A)
2. Basic Financial Statements:
    a. Statement of Net Assets
    b. Statement of Revenues, Expenses and Changes in Net Assets
    c. Statement of Cash Flows
3. Notes to the Financial Statements

The purpose of the Statement of Net Assets is to report all financial and capital resources of the Parking System at the end of the fiscal year. The assets and liabilities are shown in order of their relative liquidity. An asset's liquidity is determined by how readily it is expected to be converted to cash and whether restrictions limit the institution's ability to use the resources. A liability's liquidity is based on its maturity, or when cash is expected to be used to liquidate it. The difference between the assets and liabilities is shown as net assets.

The Statement of Revenues, Expenses, and Changes in Net Assets is the operating statement of the Parking System and as such, reports all revenues and expenses for the fiscal year. Revenues are reported by major sources and are reported gross with related discounts and allowances reported separately. The statement distinguishes between operating and nonoperating revenues. Nonoperating revenues and expenses are reported after operating income. Special and extraordinary items, capital grants and transfers are reported separately, after nonoperating revenues and expenses.

The purpose of the Statement of Cash Flows is to provide relevant information about the cash receipts and cash payments of the Parking System during the fiscal year. The Statement of Cash Flows reports the cash effects during the fiscal year of an institution's operations, its noncapital financing transactions, its capital and related financing transactions, and its investing transactions.

Financial Highlights

The Parking System's assets totaled $84.5 million at June 30, 2012. This amount is reported net of accumulated depreciation of $11.1 million. The decrease of $4.6 million or 5.2 percent from June 30, 2011 is attributed to a decrease in capital assets, net of accumulated depreciation. Current assets increased by $2.3 million or 32.2 percent mainly due the funds received for loans receivable.

Total liabilities amounted to $50.4 million at June 30, 2012, compared to $55.5 million at June 30, 2011. The decrease of $5.1 million or 9.2 percent is attributed to the principal payments made for capital improvement debt and the payment of construction contracts payable related to the new parking garage.

The Parking System's total net assets balance of $34.1 million at the end of the year represents an increase of $0.5 million or 1.5 percent from the beginning total net assets balance of $33.6 million. Total net assets consisted of $22.6 million in capital assets net of related debt, $8.7 million unrestricted and $2.8 million restricted, expendable for debt service and capital projects.

Operating revenues totaled $13.0 million for the fiscal year 2011-12, representing a $0.9 million increase from the 2011-12 fiscal year. Revenues derived from parking decals and fees, totaling $10.0 million, constituted the largest components of operating revenues. Other operating revenues increased by $0.5 million due to an increase in revenue from external events and billings for internal vehicle maintenance services.

Operating expenses totaled $9.3 million, representing an increase of $1.3 million from the 2011-12 fiscal year. This increase in operating expenses was driven by an increase in depreciation expense of $0.3 million resulting from net purchases, which includes the full-year depreciation effect of the new parking garage. Additionally, there was a $0.4 million increase in salaries due to additional temporary and security staff for external events and parking overflow initiatives such as operating new transportation shuttles. The increase of $0.6 million in services and supplies expenses is also attributed to related costs such as fuel, for parking overflow initiatives and vehicle maintenance services.

Nonoperating revenues and expenses reported during fiscal year 2011-12 consist of investment income, interest expense and adjustments to the fair market value of investments. The fluctuation in nonoperating revenues and expenses is mainly attributable to interest on asset related debt, realized investment income and adjustments to the fair market value of investments.

The Parking System received $0.6 million in capital grant revenues for the annual interest subsidy from the Federal Government for the Build America Bonds, which represents a 35 percent annual interest subsidy from the Federal Government. The Parking System will receive an annual subsidy for the life of the bonds.

In a continuous effort to provide better customer service to all constituents, the Parking System will continue to look into new strategies and develop services to provide improved access to education and research to all students, faculty and visitors.

REQUESTS FOR INFORMATION

Questions concerning information provided in the MD&A, financial statements and notes hereto, 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
PARKING SYSTEM
STATEMENT OF NET ASSETS
FOR FISCAL YEARS ENDED JUNE 30, 2012 AND 2011

	2012	2011
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 236,345	$ 330,168
Investments	8,405,139	5,804,564
Accounts Receivable	1,904,155	2,167,252
Loans Receivable	-	57,956
Allowance for Uncollectible Accounts	(1,326,527)	(1,395,744)
Due from Component Units	1,099	-
Deferred Charges	32,411	32,411
TOTAL CURRENT ASSETS	**9,252,622**	**6,996,607**
NONCURRENT ASSETS		
Restricted Cash and Cash Equivalents	15,015	21,893
Restricted Investments	2,830,398	2,875,676
Loans Receivable	-	2,720,870
Deferred Charges	594,207	626,620
Construction in Progress	1,509,153	3,850,313
Furniture and Equipment	1,115,849	1,613,340
Infrastructure and Other Improvements	432,791	432,791
Buildings	79,840,794	79,412,809
Accumulated Depreciation	(11,054,845)	(9,406,713)
TOTAL NONCURRENT ASSETS	**75,283,362**	**82,147,599**
TOTAL ASSETS	**$ 84,535,984**	**$ 89,144,206**
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	$ 45,311	$ 959,027
Construction Contracts Payable	296,690	954,871
Accrued Salaries and Wages	33,323	48,634
Due to Other Funds	-	834,908
Compensated Absences Liability - Current	12,056	10,745
Capital Improvement Debt Payable - Current	2,789,613	2,691,302
TOTAL CURRENT LIABILITIES	**3,176,993**	**5,499,487**
NONCURRENT LIABILITIES		
Compensated Absences Liability - Noncurrent	151,301	141,444
Capital Improvement Debt Payable - Noncurrent Net of Discount	47,103,253	49,892,866
TOTAL NONCURRENT LIABILITIES	**47,254,554**	**50,034,310**
TOTAL LIABILITIES	**50,431,547**	**55,533,797**
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	22,577,495	23,977,404
Restricted, Expendable	2,845,412	2,897,569
Unrestricted	8,681,530	6,735,436
TOTAL NET ASSETS	**34,104,437**	**33,610,409**
TOTAL LIABILITIES AND NET ASSETS	**$ 84,535,984**	**$ 89,144,206**

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

FLORIDA INTERNATIONAL UNIVERSITY
PARKING SYSTEM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR FISCAL YEARS ENDED JUNE 30, 2012 AND 2011

	2012	2011
OPERATING REVENUES		
Parking Decal and Fees	$ 10,024,271	$ 9,507,027
Visitor Parking	372,506	338,523
Traffic Fines, Towing and Other Operating Revenue	2,652,931	2,273,719
TOTAL OPERATING REVENUES	**13,049,708**	**12,119,269**
OPERATING EXPENSES		
Personnel Services	2,927,745	2,530,917
Other Operating Expenses	4,253,383	3,686,127
Depreciation Expense	2,142,548	1,833,162
TOTAL OPERATING EXPENSES	**9,323,676**	**8,050,206**
OPERATING INCOME	**3,726,032**	**4,069,063**
NONOPERATING REVENUES (EXPENSES)		
Investment Income	128,434	78,675
Interest on Asset Related Debt	(2,883,276)	(2,976,402)
Other	(125,584)	(32,410)
TOTAL NONOPERATING REVENUES (EXPENSES)	**(2,880,426)**	**(2,930,137)**
INCOME BEFORE CAPITAL GRANTS AND NET TRANSFERS	**845,606**	**1,138,926**
CAPITAL GRANTS AND NET TRANSFERS		
Capital Grants	642,310	642,310
Transfers (Out) In	(993,888)	170,011
TOTAL CAPITAL GRANTS AND NET TRANSFERS	**(351,578)**	**812,321**
CHANGE IN NET ASSETS	**494,028**	**1,951,247**
TOTAL NET ASSETS - BEGINNING	**33,610,409**	**31,659,162**
TOTAL NET ASSETS - ENDING	**$ 34,104,437**	**$ 33,610,409**

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

FLORIDA INTERNATIONAL UNIVERSITY
PARKING SYSTEM
STATEMENT OF CASH FLOWS
FOR FISCAL YEARS ENDED JUNE 30, 2012 AND 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:		
Sales and Services of Auxiliary Enterprises	$ 13,048,613	$ 12,119,269
Changes in Other Accounts Receivable	193,876	(9,948)
Payments to Employees	(2,931,887)	(2,547,004)
Payment to Suppliers	(2,247,336)	(5,502,044)
Other Operating Expenses	(140,937)	(158,984)
Net Cash Provided by Operating Activities	**7,922,329**	**3,901,289**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchase or Construction of Capital Assets	(663,899)	(11,027,691)
Principal Paid on Capital Improvement Debt	(2,710,000)	(2,615,000)
Capital Grant and Contracts	642,310	642,310
Interest on Asset Related Debt	(2,864,579)	(2,958,024)
Net Cash (Used) Provided by Financing Activities	**(5,596,168)**	**(15,958,405)**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net Change in Investments	(2,556,384)	10,869,724
Investment Income	129,521	124,405
Net Cash Provided (Used) by Investing Activities	**(2,426,863)**	**10,994,129**
Net Change in Cash and Cash Equivalents	**(100,702)**	**(1,062,987)**
Cash and Cash Equivalents - Beginning of Year	**352,061**	**1,415,048**
Cash and Cash Equivalents - End of Year	**$ 251,359**	**$ 352,061**
Reconciliation of Operating Income To Net Cash Provided by Operating Activities		
Operating Income	$ 3,726,032	$ 4,069,063
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation Expense	2,142,548	1,833,162
Change in Assets and Liabilities:		
Interest Receivable	-	18,006
Accounts Receivable	193,881	(27,953)
Loans Receivable	2,778,827	(2,778,827)
Due from Other Funds	(1,099)	
Accounts Payable	(913,717)	804,826
Accrued Salaries and Wages	(15,311)	(18,900)
Deposits Payable	-	(900)
Accrued Compensated Absences Current & Noncurrent	11,168	2,812
Net Cash Provided by Operating Activities	**$ 7,922,329**	**$ 3,901,289**
Supplemental Disclosure of Noncash Investing Activities		
Unrealized gains on investments were recognized as an increase to investment income on the statement of revenues, expenses, and changes in net assets, but are not cash transactions for the statement of cash flows.	$ (1,087)	$ (45,730)
Removal of tangible personal property from accounting records, due to change in capitalization threshold.	$ (93,170)	$ -

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

FLORIDA INTERNATIONAL UNIVERSITY
PARKING SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

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. The Trustees select the University President. The University President serves as the executive officer and the corporate secretary of the Trustees, and is responsible for administering the policies prescribed by the Trustees.

Criteria for defining the reporting entity are identified and described in the Governmental Accounting Standards Board's *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 or incomplete. Based on the application of these criteria, the University is a component unit of the State of Florida, and its financial balances and activity are reported in the State's Comprehensive Annual Financial Report by discrete presentation.

Basis of Presentation. The University's accounting policies conform to generally accepted accounting principles in the United States of America applicable to public colleges and universities as prescribed by the Governmental Accounting Standards Board (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 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 Assets
  - Statement of Revenues, Expenses, and Changes in Net Assets
  - Statement of Cash Flows
  - Notes to Financial Statements

Basis of Accounting. Basis of accounting refers to when revenues, expenses, and related assets and liabilities are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the measurement focus applied. The University's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange activities are generally recognized when all applicable eligibility requirements, including time requirements, are met.

Significant interdepartmental sales between auxiliary service departments and other institutional departments have been accounted for as reductions of expenses not revenues of those departments.

The University's principal operating activities consist of instruction, research, and public service. Operating revenues and expenses generally include all fiscal transactions directly related to these activities as well as administration, operation and maintenance of capital assets, and depreciation on capital assets. Nonoperating revenues include State appropriations, Federal and State student financial aid, investment income (net of unrealized gains or losses on investments), and revenues for capital construction projects. Interest on asset-related debts is a nonoperating expense.

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 accounts 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, and to purchase or construct capital or other restricted assets, are classified as restricted.

Capital Assets. The Parking Segment's capital assets consist of buildings, infrastructure and improvements, furniture and equipment, and construction in progress. These assets are capitalized and recorded at cost at the date of acquisition. Additions, improvements, and other outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

On May 18, 2011, the Florida Board of Governors approved a revision to Board of Governors Regulation 9.002 relating to Recording and Marking of Property. The revision to the regulation was designed to achieve administrative efficiencies and cost savings by increasing the capitalization threshold of university tangible personal property from $1,000 to $5,000 and library resources from $25 to $250 effective July 1, 2011. Previously capitalized tangible personal property costing between $1,000 and $4,999 and library resources costing between $25 to $249 and related accumulated depreciation amounts as of 6/30/2011 were removed from the accounting records during the 2011-12 fiscal year.

The implementation of this change in capitalization threshold has been recorded as a $93,170 other nonoperating expense in the statement of revenues, expenses, and changes in net assets. The "expense" is a nonrecurring, noncash item and has been reported in the supplemental disclosure of noncash investing and capital financing activities section of the cash flow statement.

Also, the University has a capitalization threshold of $50,000 for buildings, leasehold improvements and other improvements. Depreciation is computed on the straight-line basis over the following estimated useful lives:

The following estimated useful lives are used to determine depreciation expense:

- Buildings – 20 to 50 Years
- Infrastructure and Other Improvements – 15 Years
- Furniture and Equipment – 3 to 20 years

2. INVESTMENTS

The investments for the Parking System are reported at the market value of $11,235,537 and $8,680,240 at June 30, 2012 and 2011, respectively.

Generally accepted accounting principles require the classification of credit risk of investments into the following three categories:

- Risk Category 1 – Insured or registered, or securities held by the entity or its agent in the entity's name.
- Risk Category 2 – Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the entity's name.
- Risk Category 3 – Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the entity's name.

The University participates in investment pools through the State Treasury and the State Board of Administration in accordance with the provisions of Sections 17.61 and 215.49, Florida Statutes. University investments in the investment pools managed by the State Treasury and the State Board of Administration cannot be categorized because the University's investments are not evidenced by specific, identifiable investment securities. The State Treasury Special Purpose Investment Pool is rated by Standard and Poors, the rating is A+f as of June 30, 2012 and was Af as of June 30, 2011. The effective duration of the State Treasury Special Purpose Investment Pool is 2.38 years as of June 30, 2012, and was 2.13 years as of June 30, 2011. Additional disclosures on the State Treasury Special Purpose Investment Pool can be found in notes to the State of Florida Comprehensive Annual Financial Report.

3. RECEIVABLES

Accounts Receivable. Accounts receivable reported in the Statement of Net Assets represent amounts for student fee deferments, various student services provided by the University, various auxiliary services provided to students and third parties, grant reimbursements due from third parties. The Parking System's accounts receivable totaled $1,904,155 and $2,167,252 at June 30, 2012 and 2011, respectively.

Loans Receivable. Funds were transferred to repay the loan receivable during the fiscal year. The loan represented amounts owed on promissory notes from other funds within the University. There is no balance as of June 30, 2012, the loans receivable totaled $2,778,826 at June 30, 2011.

Allowance for Doubtful Receivables. The allowance for doubtful receivables is reported based upon management's best estimate as of fiscal year-end considering type, age, collection history, and any other factors as considered appropriate. The Parking System's allowance for doubtful receivables was $1,326,527 and $1,395,744 at June 30, 2012 and 2011, respectively.

4. LONG-TERM LIABILITIES

Capital Improvement Debt Payable.

The University issued, through the Division of Bond Finance, capital improvement debt payable totaling $70,225,000 from the 1995, 1999, 2002 and 2009 capital improvement debt payable series amounting to $7,780,000, $7,530,000, $22,915,000 and $32,000,000, respectively. The purpose of this capital improvement debt payable is to finance the construction of five parking garages on the Modesto A. Maidique Campus. This capital improvement debt payable is secured by traffic and parking fees and other revenue generated through parking operations.

The State Board of Administration administers the principal and interest payments, investment of sinking fund resources, and compliance with reserve requirements.

Capital improvement debt payable at June 30, 2012 was as follows:

Capital Improvement Debt Payable Type and Series	Amount of Original Issue	Amount Outstanding	Rates (Percent)	Maturity Date
1995	$ 7,780,000	$ 2,274,440	5.38	2016
1999	7,530,000	3,580,916	5.25 - 5.625	2019
2002	22,915,000	13,732,036	3.50 - 4.60	2022
2009	32,000,000	30,305,474	2.00 - 6.875	2039
Total	**$ 70,225,000**	**$ 49,892,866**		

Annual requirements to amortize all capital improvement debt payable outstanding as of June 30, 2012 are as follows:

Fiscal Year Ending June 30, 2011	Principal	Interest	Total
2013	$ 2,815,000	$ 2,864,579	$ 5,679,579
2014	2,920,000	2,765,014	5,685,014
2015	3,040,000	2,659,295	5,699,295
2016	3,165,000	2,543,761	5,708,761
2017	2,645,000	2,408,330	5,053,330
2018 - 2022	13,010,000	10,034,880	23,044,880
2023 - 2027	5,045,000	7,312,234	12,357,234
2028 - 2032	6,190,000	5,570,663	11,760,663
2033 - 2037	7,695,000	3,369,781	11,064,781
2038 - 2039	3,580,000	733,218	4,313,218
Subtotal	50,105,000	40,261,755	90,366,755
Less, Unamortized Discount	212,134	-	212,134
Total	**$ 49,892,866**	**$ 40,261,755**	**$ 90,154,621**

Compensated Absence Liability.

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 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 Parking System's estimated liability for compensated absences, which includes the Parking System's share of the Florida Retirement System and FICA contributions, was $163,357 and $152,189 at June 30, 2012 and June 30, 2011, respectively. The current portion of the compensated absences liability is based on actual payouts over the last three years, calculated as a percentage of those years' total compensated absences liability.

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APPENDIX K

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 and the Division of Bond Finance of the State Board of Administration of Florida (the "Division") in connection with the issuance of $48,365,000 State of Florida, Board of Governors, Florida International University Parking Facility Revenue Bonds, Series 2013A (the "Bonds"). This Disclosure Agreement is being executed and delivered pursuant to Section 5.03 of the resolutions adopted by the Governor and Cabinet, as the Governing Board of the Division, on April 23, 2013, providing for the issuance of the Bonds (the "Authorizing Resolution"). The Board 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 Authorizing Resolution and the Original Resolution adopted by the Governing Board of the Division on February 28, 1995, as amended on June 12, 2002, September 10, 2002, and September 15, 2009 (collectively, the "Resolution") which apply to any capitalized term used in this Disclosure Agreement, the following capitalized terms shall have the following meanings:

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

SECTION 3. CONTINUING DISCLOSURE. (A) Information To Be Provided. The Board and the University assume all responsibilities for any continuing disclosure as described below. In order to comply with the Rule, the Board and the University hereby agrees to provide or cause to be provided the information set forth below, or such other information as may be required, from time to time, under the Rule.

(1) Financial Information and Operating Data. For fiscal years ending on June 30, 2013 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) Daytime Campus Population and Total Number of Parking Spaces;
(b) Student Parking Access Fee;
(c) Number of Parking Decals Issued, Parking Decal Costs by Type, and Student Parking Access Fee Assessments;
(d) Comparison of Budget to Actual for Fiscal Year;
(e) Historical Statement of Revenues and Expenditures (Unaudited);
(f) Historical Summary of Balance Sheet Date (Unaudited);
(g) Schedule of Historical Pledged Revenues and Debt Service Coverage;
(h) Investment of Funds; and
(i) University Financial Statements.

(2) Audited Financial Statements. If not submitted as part of the annual financial information, a copy of the University's audited financial statements, prepared in accordance with generally accepted accounting principles, will be provided when and if available.

(3) Material Events Notices. Notice of the following events relating to the Bonds will be provided in a timely manner not in excess of ten business days after the occurrence of the event:

(a) principal and interest payment delinquencies;
(b) non-payment related defaults, if material;
(c) unscheduled draws on debt-service reserves reflecting financial difficulties;
(d) unscheduled draws on credit enhancements reflecting financial difficulties;
(e) substitution of credit or liquidity providers, or their failure to perform;
(f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
(g) modifications to rights of security holders, if material;
(h) bond calls, if material, and tender offers;
(i) defeasances;
(j) release, substitution or sale of property securing repayment of the securities, if material;
(k) rating changes;
(l) bankruptcy, insolvency, receivership or similar event of the obligated person;
(m) the consummation of merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
(n) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(4) Failure to Provide Annual Financial Information; Remedies.

(a) Notice of the failure of the Board 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 acknowledges that its 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 obligations hereunder.

(B) Methods of Providing Information.

(1) (a) Annual financial information and operating data described in paragraph 3(A)(1) and the audited financial statements described in paragraph 3(A)(2) shall be transmitted to the Municipal Securities Rulemaking Board (hereafter "MSRB") using the MSRB's Electronic Municipal Market Access System ("EMMA") or by such other method as may be subsequently determined by the MSRB.

(b) Material event notices described in paragraph 3(A)(3) and notices described in paragraph 3(A)(4) shall also be transmitted to the MSRB using EMMA or by such other method as may be subsequently determined by the MSRB.

(2) (a) Information shall be provided to the MSRB in an electronic format as prescribed by the MSRB, either directly, or indirectly through an indenture trustee or a designated agent.

(b) All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(C) If this Disclosure Agreement is amended to change the operating data or financial information to be disclosed, the annual financial information containing amended operating data or financial information will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

(D) The Board's and the University 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, the Board nor the University shall have any obligation to update such information or include it in any such future submission.

Dated this ____ day of ________________, 2013.

FLORIDA BOARD OF GOVERNORS

By____
Chair

DIVISION OF BOND FINANCE

By____
Assistant Secretary

FLORIDA INTERNATIONAL UNIVERSITY

By___________________________________
President

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[FORM OF BOND COUNSEL OPINION]

September 26, 2013

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:

$48,365,000
STATE OF FLORIDA
BOARD OF GOVERNORS
FLORIDA INTERNATIONAL UNIVERSITY
PARKING FACILITY REVENUE BONDS
SERIES 2013A
Dated September 26, 2013
(the "2013A Bonds")

The 2013A Bonds are being issued by the Division of Bond Finance in the name of and on behalf of the Board for the purpose of financing the costs of the 2013A Project, to refund all of the Outstanding State of Florida, Board of Regents, Florida International University Parking Facility Revenue Bonds, Series 1999, and the Outstanding State of Florida, Florida Board of Education, Florida International University Parking Facility Revenue Bonds, Series 2002 and paying certain costs associated with the issuance of the 2013A 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 2013A Bonds will be secured by and payable solely from a first lien pledge of the Pledged Revenues on a parity with the Outstanding Bonds and any Additional Bonds hereafter issued (each as defined in the hereinafter defined Resolution).

The 2013A 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 2013A 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 said 2013A Bonds pursuant to the Constitution and statutes of the State of Florida and pursuant to resolutions authorizing the issuance and sale of the 2013A Bonds duly adopted by the Governing Board of the Division of Bond Finance on February 28, 1995, as amended and supplemented by resolutions adopted on June 12, 2002, September 10, 2002, September 15, 2009 and April 23, 2013, (collectively, the "Resolution") and a resolution of the Board adopted March 28, 2013.

2. The 2013A 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 2013A 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 2013A Bonds in order that interest on the 2013A Bonds be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the 2013A Bonds to be included in federal gross income retroactive to the date of issuance of the 2013A 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 2013A Bonds.

Subject to compliance by the Division of Bond Finance and the Board with the aforementioned covenants, (a) interest on the 2013A Bonds is excluded from gross income of the holders thereof for purposes of federal income taxation, and (b) interest on the 2013A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals or corporations; however, with respect to corporations (as defined for federal income tax purposes) such interest is taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on such corporations. We express no opinion regarding other federal tax consequences caused by the ownership of or the receipt of interest on or the disposition of the 2013A Bonds.

It is to be understood that the rights of the owners of the 2013A Bonds and the enforceability thereof may be subject to the exercise of judicial discretion in accordance with general principles of equity, to the valid exercise of the sovereign police powers of the State of Florida and of the constitutional powers of the United States of America and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.

In rendering the foregoing opinions, we have assumed the accuracy and truthfulness of all public records and of all certifications, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities and have not independently verified the accuracy or truthfulness thereof and the genuineness of the signatures appearing upon such public records, certifications, documents and proceedings.

Our opinions expressed herein are predicated upon present law, facts and circumstances as of the date of issuance and delivery of the 2013A Bonds, and we assume no affirmative obligation to update the opinions expressed herein if such laws, facts or circumstances change after such date.

As Bond Counsel, we have not been engaged nor have we, in such capacity, undertaken to review the accuracy, completeness or sufficiency of any offering material relating to the 2013A 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 BELIEVES TO BE RELIABLE; HOWEVER, THE DIVISION TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

DTC will act as securities depository for the 2013A Bonds. The 2013A 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 2013A Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities and Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and together with Direct Participants, the "Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at **www.dtcc.com** and **www.dtc.org**.

Purchases of the 2013A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2013A Bonds on DTC's records. The ownership interest of each actual purchaser of each 2013A 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 2013A 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 2013A Bonds, except in the event that use of the book-entry system is discontinued.

To facilitate subsequent transfers, all 2013A 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 2013A 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 2013A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2013A 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 2013A Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the 2013A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2013A Bond documents. For example, Beneficial Owners of 2013A Bonds may wish to ascertain that the nominee holding the 2013A 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 2013A 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 2013A 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 2013A 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 2013A 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 2013A 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 2013A 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 2013A Bonds will be printed and delivered as provided in the documents authorizing the issuance and sale of the 2013A Bonds.

For every transfer and exchange of beneficial interests in the 2013A 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 2013A Bonds, references herein to the Registered Owners or Holders of the 2013A Bonds shall mean Cede & Co. and not mean the Beneficial Owners of the 2013A Bonds unless the context requires otherwise.

The Division, the Board 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 2013A 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 2013A 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 2013A Bonds, or the purchase price of, any 2013A 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 2013A Bonds for partial redemption.

So long as the 2013A Bonds are held in book-entry only form, the Division, the Board 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 2013A Bonds for all purposes whatsoever, including, without limitation:

(i) the payment of the principal of, premium, if any, and interest on the 2013A Bonds;

(ii) giving notices of redemption and other matters with respect to the 2013A Bonds;

(iii) registering transfers with respect to the 2013A Bonds; and

(iv) the selection of the beneficial ownership interests in the 2013A 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 and the Bond Registrar/Paying Agent may treat the Registered Owner of any 2013A Bond as the absolute owner for all purposes, whether or not such 2013A Bond is overdue, and will not be bound by any notice to the contrary.

Principal of and premium, if any, on the 2013A Bonds will be payable upon presentation and surrender of the 2013A 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 2013A 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 2013A Bond to the Bond Registrar/Paying Agent together with a written instrument of transfer (if so required) satisfactory in form to the Division of Bond Finance 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 2013A 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 2013A 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 2013A 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 2013A Bond is delivered.

The Bond Registrar/Paying Agent will not be required to issue, transfer or exchange any 2013A Bonds on the Record Date.

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