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.

$24,805,000
STATE OF FLORIDA
Board of Governors
University of Florida Dormitory Revenue Bonds, Series 2013A

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

Bond Ratings	AA Fitch Ratings Aa2 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 maturing on and after July 1, 2024 are subject to optional redemption as provided herein. The 2013A Bonds maturing on July 1, 2033 are subject to mandatory redemption as provided herein.
Security	The 2013A Bonds will be secured by and payable from the Pledged Revenues, which consist of the revenues of the Housing System after deducting the Current Expenses and amounts required for the Prior Lien Obligations. **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 will be on a parity with the Outstanding Parity Bonds and any subsequently issued Additional Parity Bonds, of which $89,260,000, excluding the Refunded Bonds, which will be Outstanding subsequent to the issuance of the 2013A Bonds, and will be junior and subordinate to the Prior Lien Obligations, of which $180,000 is currently Outstanding.
Additional Bonds	Additional Parity Bonds payable on a parity with the 2013A Bonds and the Outstanding Parity Bonds may be issued if the average Pledged Revenues for the two immediately preceding fiscal years, as adjusted, are at least 125% of the Maximum Annual Debt Service. This description of the requirements for the issuance of the 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 finance a portion of the cost of the 2013A Project, to advance refund a portion of the Series 2005A Bonds, and to pay costs of issuance.
Interest Payment Dates	January 1 and July 1, commencing July 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 December 19, 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.

November 20, 2013

MATURITY STRUCTURE

Initial CUSIP©	Due Date	Principal Amount	Interest Rate	Yield*	First Optional Redemption Date and Price
		Serial Bonds			
34157TBN5	July 1, 2014	$360,000	3.00%	0.20%	-
34157TBP0	July 1, 2015	685,000	3.00	0.34	-
34157TBQ8	July 1, 2016	1,245,000	4.00	0.53	-
34157TBR6	July 1, 2017	1,285,000	4.00	0.84	-
34157TBS4	July 1, 2018	1,370,000	5.00	1.16	-
34157TBT2	July 1, 2019	1,415,000	5.00	1.75	-
34157TBU9	July 1, 2020	1,490,000	5.00	2.15	-
34157TBV7	July 1, 2021	1,580,000	5.00	2.44	-
34157TBW5	July 1, 2022	1,655,000	5.00	2.66	-
34157TBX3	July 1, 2023	1,745,000	5.00	2.86	-
34157TBY1	July 1, 2024	1,015,000	3.00	3.05	July 1, 2023 @ 100%
34157TBZ8	July 1, 2025	1,045,000	3.00	3.20	July 1, 2023 @ 100
34157TCA2	July 1, 2026	1,080,000	3.25	3.40	July 1, 2023 @ 100
34157TCB0	July 1, 2027	1,115,000	3.50	3.60	July 1, 2023 @ 100
34157TCC8	July 1, 2028**	1,150,000	4.00	3.75	July 1, 2023 @ 100
34157TCD6	July 1, 2029**	1,200,000	4.00	3.95	July 1, 2023 @ 100
34157TCE4	July 1, 2030	1,245,000	4.00	4.03	July 1, 2023 @ 100
34157TCF1	July 1, 2031	1,295,000	4.00	4.13	July 1, 2023 @ 100
		Term Bonds			
34157TCH7	July 1, 2033	$2,830,000	4.125%	4.20%	July 1, 2023 @ 100%

* Yield information provided by the underwriter.

** The yield on these maturities are calculated to a 100% call on July 1, 2023.

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STATE OFFICIALS

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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
$24,805,000
STATE OF FLORIDA
Board of Governors
University of Florida Dormitory 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 the $24,805,000 State of Florida, Board of Governors, University of Florida Dormitory 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").

Proceeds will be used to finance a portion of the cost of the 2013A Project, to advance refund a portion of the Series 2005A Bonds, 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 net revenues of the Housing System, after providing for payment of the Current Expenses and the Prior Lien Obligations (the "Pledged Revenues"). See "SECURITY FOR THE 2013A BONDS" below for more detailed information.

The lien of the 2013A Bonds on the Pledged Revenues will be on a parity with the Outstanding Parity Bonds and any Additional Parity Bonds hereafter issued (collectively, the "Parity Bonds"). The aggregate principal amount of Parity Bonds, including the 2013A Bonds, which will be outstanding subsequent to the issuance of the 2013A Bonds is $89,260,000, excluding the Refunded Bonds. The lien of the 2013A Bonds on the Pledged Revenues will be junior and subordinate to the University of Florida Housing Revenue Certificates, Series of 1984, currently outstanding in the aggregate principal amount of $180,000 (the "Prior Lien Obligations"). 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 Attorney General and the Chief Financial Officer. Under the State Bond Act, the Board of Administration determines the fiscal sufficiency of all bonds proposed to be issued by the State of Florida or its agencies. The Board of Administration also acts as the fiscal agent of the Board of Governors in administering the Sinking Fund, the Rebate Fund, and the Reserve Account.

Board of Governors

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

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

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

Board Members	**Term Expires**
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 - 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 G - "University of Florida" for a list of the trustees of the University.

Administrative Approval

By a resolution adopted on September 12, 2013, the Board of Governors authorized the Division of Bond Finance to proceed with the actions required for the issuance of the 2013A Bonds.

By a resolution duly adopted on January 10, 1989, the Governor and Cabinet of the State of Florida, as the Governing Board of the Division of Bond Finance, authorized the issuance of not to exceed $7,500,000 State of Florida, Board of Regents, University of Florida Housing Revenue Bonds, Series1989. Such resolution was amended and restated in its entirety by a resolution of the Governing Board of the Division of Bond Finance on June 13, 2000 (the "Original Resolution") and was further supplemented and amended by resolutions adopted on September 20, 2011 and March 20, 2012. By resolutions adopted on October 10, 2013 (collectively, the "Authorizing Resolutions"), the Governing Board of the Division of Bond Finance authorized the issuance of not exceeding $25,000,000 State of Florida, Board of Governors, University of Florida Dormitory Revenue Bonds, Series 2013A and authorized the issuance of not exceeding $6,500,000 State of Florida, Board of Governors, University of Florida Dormitory Revenue Refunding Bonds, Series (to be determined), which resolutions will further supplement the Original Resolution. The Original Resolution, the September 20, 2011 resolution, the March 20, 2012 resolution, and the Authorizing Resolutions are reproduced as Appendices B, C, D, E and F to this Official Statement.

The Board of Administration approved the fiscal sufficiency of the 2013A Bonds, as required by the State Bond Act, by resolutions adopted on October 10, 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 July 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 L, "Provisions for Book-Entry Only System or Registered Bonds" for a description of DTC, certain responsibilities of DTC, the Board and the Bond Registrar/Paying Agent, and the provisions for registration and registration of transfer of the 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 dates 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 an 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	$1,385,000	2033	$1,445,000

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 with respect to which no such failure has occurred. Any notice mailed as provided in the Resolution will be conclusively presumed to have been duly given, whether or not the Registered Owner receives the notice.

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 pay 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 255-bed dormitory with state of the art ADA compliant features for 35 beds and 220 beds available for first-time-in-college (FTIC) students. The facility will be located adjacent to Reid Hall, which is home to the University Disability Resource Center and College of Education. The 2013A Project will consist of five stories and 82,300 square feet configured into single, four-person and six-person suites with private bathrooms. In addition, the 2013A Project will include support spaces such as a common student lounge, laundry facilities and an instructional kitchen for independent skill training.

Construction of the 2013A Project will be coordinated by a construction manager selected in accordance with the applicable State University System requirements, which include: public advertisement; review of credentials; references and qualifications; confirmation of bonding capabilities; and a presentation interview.

A project schedule has been developed with the construction of the 2013A Project scheduled to commence in November 2013, and to be completed and open for occupancy in August 2015.

The 2013A Project is fully insured by the construction manager's Builder's Risk Policy for the duration of the construction of the project. Oversight of the 2013A Project will be conducted by the construction manager and the University's Department of Facilities Design and Construction.

The construction budget was developed by the University's Department of Facilities Design and Construction and was completed in September 2012. A project budget of $23,420,255 was prepared which includes construction costs ($18,891,055), professional fees ($1,792,200), testing, inspection and telecommunications ($351,700), furniture and equipment ($1,630,100), and contingencies ($755,200). The 2013A Project will be funded from approximately $21,000,000 in bond proceeds and interest earnings and approximately $1,500,000 in Housing System available reserves.

Prior to commencement of construction, the construction manager must provide a Labor and Materials Bond equal to 100% of the contract. The construction manager is required to carry a Builder's Risk Policy for the duration of the project, naming the University as co-insured.

Oversight of the project will be conducted by the construction manager and the University's Department of Facilities Planning and Construction.

Principal participants for construction of the 2013A Project include:

Board of Governors:	Office of Facilities Planning and Construction
University of Florida:	Department of Facilities Planning and Construction
Architect:	Cannon Florida, Inc. d/b/a Cannon Design
Mechanical/Electrical Engineer:	KJWW, P.C.
Civil Engineer:	Causseaux, Hewett and Walpole, Inc.
Structural Engineer:	Structural Engineers Group, Inc.
Landscape Architect:	David Conner & Associates, Inc.
Construction Manager:	Skanska USA Building, Inc.
Commissioning Agent:	Affiliated Engineers SE, Inc.

In addition to compliance with all applicable codes and standards, permits are required from the Division of State Fire Marshal. The University has indicated that the hazardous materials asbestos, lead paint, and polychlorinated biphenyls (PCBs) are present on the construction site and will be abated.

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 provide for the payment of the costs of issuance with respect to the 2013A Bonds, and to refund the State of Florida, Florida Education System, University of Florida Housing Revenue Refunding Bonds, Series 2005A, maturing in the years 2016 through 2023 (the "Refunded Bonds"), in the outstanding principal amount of $5,545,000. This refunding is being effectuated to achieve debt service savings due to lower interest rates.

Simultaneously with the delivery of the 2013A Bonds, an agreement will be entered into to provide for the investment of the proceeds of the 2013A Bonds and other moneys, and the Division of Bond Finance will cause a portion of the proceeds of the 2013A Bonds, and other legally available moneys, to be deposited in the State Treasury investment pool, a fund held and invested by the State Treasurer of Florida. The amount initially deposited is expected to be sufficient to make all payments with respect to the Refunded Bonds. However, should the escrow be insufficient to redeem the Refunded Bonds on the redemption date, the Board of Governors shall be required to provide sufficient funds to make up any shortfall. The Refunded Bonds will be considered as remaining outstanding and economically defeased only, and will continue to be secured by the Pledged Revenues until they are redeemed.

The Refunded Bonds will be called for redemption (by separate redemption notice) on July 1, 2015 at a redemption price equal to the principal amount thereof with interest due thereon through the redemption date, plus the required redemption premium equal to one percent of the Refunded Bonds. 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	$24,805,000
Plus: Original Issue Premium	1,814,985
Cash Contribution	1,528,300
Estimated Construction Fund Earnings[1]	83,372
Sinking Fund Accrual	124,438
Total Sources	$28,356,095
Uses of Funds:	
Cost of the 2013A Project	$21,978,253
Deposit of Refunding Proceeds	6,080,828
Underwriter's Discount	198,440
Cost of Issuance	98,574
Total Uses	$28,356,095

[1] Interest is estimated at 0.5% 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 Project Construction Fund (the "Construction Fund"), a trust fund in the State Treasury to be used only for the payment of the costs of construction of housing improvements on the campus of the University of Florida. A separate account (the "2013A Project Construction Fund") is being established for a portion of the proceeds of the 2013A Bonds to pay the costs of the 2013A Project. The Registered Owners of the 2013A Bonds will have a lien on all the proceeds of such Bonds 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 Construction Fund. Withdrawals from the Construction Fund are made as provided by law.

Funds remaining in the 2013A Project Construction Fund after completion of the 2013A Project shall be either (i) applied to fixed capital outlay projects of the Housing System or (ii) deposited into the Sinking Fund, to be used for the purposes thereof.

SECURITY FOR THE 2013A BONDS

Pledge of Housing 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 lien on the Pledged Revenues on a parity with the Outstanding Parity Bonds. The aggregate principal amount of Bonds which will be Outstanding subsequent to the issuance of the 2013A Bonds is $89,260,000, excluding the Refunded Bonds. As used herein, the term "Bonds" includes the Outstanding Parity Bonds, the 2013A Bonds and any Additional Parity Bonds as defined in the Resolution. The Pledged Revenues consist of the net revenues of the Housing System at the University of Florida after deducting from Gross Revenues the Current Expenses and amounts required for the Prior Lien Obligations. The Housing System consists of the student living facilities of the University, as set forth in the Resolution, and such additional housing facilities as may be added to the Housing System, all as more fully described in "DEPARTMENT OF HOUSING AND RESIDENCE EDUCATION" below. The lien of the Bonds on the Pledged Revenues is junior and subordinate to the lien thereon of the Prior Lien Obligations, of which $180,000 in aggregate principal amount is currently Outstanding. See "PRIOR LIEN OBLIGATIONS" and "DEPARTMENT OF HOUSING AND RESIDENCE EDUCATION - Historical Debt Service Coverage and - Projected Pledged Revenues and Debt Service Coverage" below.

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.**

Debt Service Reserve Account**

There will not be a Debt Service Reserve Account funded for the 2013A Bonds. However, the Original Resolution creates the Debt Service 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 Debt Service 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 Debt Service Reserve Account, the Board may at any time fund one or more subaccounts in the Debt Service Reserve Account with one or more Debt Service 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, there is one subaccount in the Reserve Account for the benefit of the Registered Owners of the Outstanding Parity Bonds that are secured by the subaccount. The subaccount is currently funded by two debt service reserve account surety bonds from MBIA Insurance Corporation ("MBIA") in the aggregate amount of $4,398,400 and one from Financial Guaranty Insurance Company ("FGIC") in the amount of $2,192,129. The MBIA surety bond in the amount of $1,561,925 (the "1993 Surety") secured the 1993 Bonds and any bonds issued to refund the 1993 Bonds. Since the 2005A Bonds refunded the 1993 Bonds, the 1993 Surety secures the 2005A Bonds as well. The 1993 Surety will terminate upon the earlier of (i) July 1, 2023, or (ii) the date the 2005A Bonds are no longer outstanding. The MBIA surety bond in the amount of $2,836,475 (the "1998 Surety") secured the 1998 Bonds and any bonds issued to refund the 1998 Bonds. Since the 2011A Bonds refunded the 1998 Bonds, the 1998 Surety secures the 2011A Bonds as well. The 1998 Surety will terminate upon the earlier of (i) July 1, 2028, or (ii) the date the 2011A Bonds are no longer outstanding. The FGIC surety bond secured the 2000 Bonds and any bonds issued on a parity with the 2000 Bonds, including the 2013A Bonds. The FGIC surety will terminate on July 1, 2030. This subaccount may also serve as the subaccount for future Additional Parity Bonds.

**There will not be a Debt Service Reserve Account funded for the 2013A Bonds.

The resolutions authorizing the sale of the New Money Portion and the Refunding Portion provide that the Debt Service Reserve Account for the 2013A Bonds may be funded in an amount determined by the Director, which amount may be zero. The Debt Service Reserve Requirement for the 2013A Bonds has been determined to be zero. No deposit will be made to a subaccount in the Debt Service Reserve Account from the proceeds of the 2013A Bonds.

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

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

Flow of Funds

Collection of Pledged Revenues. Upon collection, Gross Revenues of the Housing System are deposited into a trust fund (the "Revenue Fund") to be administered in accordance with the provisions of the Resolution and applicable laws. After providing for the payments required below, the Board may use the Gross Revenues for any lawful purpose of the Board.

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

(A) to satisfy the requirements of the Prior Lien Obligations, including the payment of Current Expenses;

(B) for deposit with the Board of Administration in the Sinking Fund, until there is accumulated an amount sufficient to pay in the following order:

(1) the next installments of principal and interest to become due on all Parity Bonds during the then current year, including Amortization Installments; and

(2) to the Debt Service Reserve Account, the Reserve Requirement on all Parity Bonds (or the amount necessary to pay required installments if the Reserve Account is to be funded over a 60 month period), except to the extent a Reserve Account Credit Facility has been provided pursuant to the Resolution; and

(C) to the Building Maintenance and Equipment Reserve Fund, in the amounts required by the Original Resolution.

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 Housing System Revenues and other available funds the amounts sufficient to pay the Pledged Revenues due as provided in the Resolution.

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

(D) That it will continue to collect the rentals charged all regularly enrolled students and other tenants in the Housing System.

Additional Parity Bonds

The Resolution provides that Additional Parity Bonds may be issued, but only upon the following terms, restrictions and conditions: (1) the proceeds from such Additional Parity Bonds will be used to acquire and construct capital improvements to the Housing System or to refund Outstanding Bonds; (2) all previously authorized bonds will have been issued and delivered, or the authority for the unused portion will have been canceled; (3) the Board must certify favorably as to the advisability of the issuance of the Additional Parity Bonds; (4) the Board of Administration must approve the fiscal sufficiency of such Additional Parity Bonds; (5) certificates will be executed by the Board setting forth (a) the average amount of Pledged Revenues from the two fiscal years immediately preceding the issuance of the proposed Additional Parity Bonds, and (b) (i) the Maximum Annual Debt Service on the Prior Lien Obligations then Outstanding, and (ii) the Maximum Annual Debt Service on the Bonds then outstanding and the Additional Parity Bonds then proposed to be issued; (6) 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 hereafter adopted for the issuance of Additional Parity Bonds, unless upon the issuance of such Additional Parity Bonds the Board will be in compliance with all such covenants and provisions; and (7) 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 125% of the Maximum Annual Debt Service on (i) the Bonds then Outstanding, and (ii) the Additional Parity Bonds then proposed to be issued.

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 housing 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.

PRIOR LIEN OBLIGATIONS

The Prior Lien Obligations are currently Outstanding in the aggregate principal amount of $180,000 and are secured solely by the net revenues of the Housing System. Debt service for the Prior Lien Obligations is paid from the operating revenues of the Housing System. See "SCHEDULE OF ESTIMATED DEBT SERVICE." The Board has covenanted that it will not issue any obligations (other than refunding obligations) which will rank on a parity with or senior to the Prior Lien Obligations. The final maturity of the Prior Lien Obligations is July 1, 2014.

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DEPARTMENT OF HOUSING AND RESIDENCE EDUCATION
(Source: University of Florida)

Mission

The mission of the University of Florida is threefold: to preserve existing knowledge through teaching; to develop new knowledge through research; and to serve the social, cultural, industrial and political institutions of the State. Information regarding the University is provided in Appendix G. The Department of Housing and Residence Education's ("Department of Housing") mission is to provide services to residents that support academic and personal development through well-maintained facilities, quality educational and social programs, and a diverse community environment. The Department of Housing is a self-supporting agency of the University. It is part of the Division of Student Affairs and its primary function is housing and managing both single and married students' housing facilities.

The student housing program is an integral part of the University of Florida's educational mission. The housing program's purpose is to aid in the on-going educational and developmental processes of each individual resident. The housing program directs and enhances the education and development of resident students through informal and structured living experiences. The individual growth and learning through community development that occurs in residence halls enhances the education of residents in positive ways.

The housing program was designed as a total environment that encourages the educational development of the individual. The components that define this environment are: educational opportunities, facilities management, organization and administration, staffing and staff management, fiscal management, and evaluation.

Housing Facilities

The Housing System currently provides facilities to accommodate approximately 7,490 undergraduate and 1,463 graduate students. The Department of Housing operates 24 housing facilities for single freshmen, transfer and continuing students at the University, comprised of three apartment style residence halls and 21 traditional residence halls, of which three currently offer suite-style living arrangements (a bath adjoining two living units).

In addition, Village housing is provided for family, single parent and graduate students in four apartment complexes. Occupancy rates for the 760 apartments in these facilities average 98%, with a continual waiting list. Maguire Village, an additional housing facility on campus, is accounted for separately from the Housing System and provides 220 housing units.

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Outlined below are the residence halls making up the Housing System and the construction dates, square footage, capacity and number of rooms in each facility.

University of Florida Housing System
Residence Hall Facilities

Hall Name	Year Built/Renovated	Square Footage	Spaces	Rooms
Beaty East	1967	79,750	374	96
Beaty West	1967	82,812	409	104
Broward	1954/2014	159,100	680	325
Buckman	1905/2013	29,580	137	82
East	1961/2009	44,230	206	105
Fletcher	1939/1984	50,500	157	87
Graham	1961	39,800	200	105
Hume East	2002	75,972	306	162
Hume West	2002	75,972	302	160
Jennings	1961/2010	108,920	482	251
Keys	1990	121,050	419	107
Lakeside	2000	176,781	528	135
Mallory	1950/2006	42,400	176	91
Murphree	1939/2005	97,450	376	169
North	1950/2005	36,600	158	85
Rawlings	1958	82,930	352	177
Reid	1950/2004	42,400	172	87
Riker	1950/2003	43,440	199	105
Simpson	1961/2011	38,930	208	109
Sledd	1929/1984/2006	43,310	182	98
Springs	1995	137,532	476	286
Thomas	1905/2002	35,920	179	109
Tolbert	1950/2011	54,300	253	127
Trusler	1961	40,540	201	104
Weaver	1950/2012	46,840	180	100
Yulee	1950/2007	42,400	178	94
Total		**1,829,459**	**7,490**	**3,460**

The housing villages currently included in the Housing System are detailed below with construction dates, square footage, number of buildings and number of apartments.

University of Florida Housing System
Village Housing Facilities

Village Name	Year Built/Renovated	Square Footage	No. Buildings	No. Apartments
Corry	1958	154,800	13	216
Corry Commons	2012	11,333	1	
Diamond	1965	163,300	11	208
Diamond Commons	1965/2004	4,800	1	
Tanglewood[1]	1973	192,550	11	208
Tanglewood Commons	1973/2012	3,870	1	
Tangewood Laundry/Maintenance	2012	1,480	1	
Tanglewood Pool	1971	160	1	
Maguire	1971	213,240	28	220
Maguire Commons	1971/2012	3,450	1	
Maguire Pool Bath	1991	210	1	
Maguire Storage/Pool Pump	1994	800	1	
University Village South	1972	118,230	16	128
UVS Commons	1972/2003	950	1	
UVS Storage	1992	190	1	
Total		**869,363**	**89**	**980**

[1] 100 units of the Tanglewood Apartments were completed in 1968.

Capital Improvement Plan

The Department of Housing develops a ten year capital plan as part of the annual budgetary process, identifying major capital projects required to maintain the quality of the housing units. The current capital projects plan anticipates such projects as replacing fire sprinkler and alarm systems, flooring replacements, bathroom renovations, domestic water line replacements, window replacements and equipment and furnishing replacements. Annually, as funding becomes available, priority projects are identified and undertaken. Annual expenditures on the capital plan for the past five years were funded with cash and have averaged approximately $8.3 million. Over the next five years, capital expenditures will be funded with cash and bond proceeds and are expected to average approximately $7.6 million. The average annual expenditures are expected to increase primarily due to planned renovations to Corry Village and Broward Hall.

Insurance on Facilities

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

Staffing

The Department of Housing employs a total of 352 full-time employees and 435 part-time student staff. Staff includes custodians, maintenance technicians, clerical staff, administrators, student resident assistants, hall directors, desk assistants and security guards.

Demand for On-Campus Single Student Housing

Historically, University housing facilities have been filled at or beyond 100% of their design capacity at the beginning of each fall term, as reflected in the table below. The demand for on-campus housing has exceeded the supply for the last 27 years. The decision was made in 1978 to house no more than 400 overflow students each fall semester. This number was selected based upon statistical reports that indicate that approximately 400 students drop out of University housing during the fall semester. In recent years, the number of students who drop out of University housing has decreased; reducing the number of overflow students to no more than 325 each semester. Students are assigned to temporary housing until cancellations occur and typically for no more than one semester. Even with these overflow provisions, the Housing System has had to turn away students.

The chart below indicates the occupancy rate as compared to the capacity of current University housing facilities for the past five years.

Fall Semester Occupancy Analysis
For Single Student Housing Residence Halls
(First Day of Classes)

Fall	Capacity	Occupancy	Number of Overflow Students[1]	Occupancy as a Percent of Capacity	Percent of Full-Time Student Body Residing on Campus
2009	7,370	7,657	287	103.90%	15.10%
2010	7,382	7,504	122	101.65%	15.05%
2011	7,397	7,719	322	104.35%	23.67%
2012	7,498	7,706	208	102.80%	23.30%
2013	7,490	7,520	30	100.40%	15.00%

[1] Ascertained approximately three weeks after registration, during which time a number of students originally in overflow status were placed in permanent housing or dropped out of school.

The following chart shows the number of students placed on a waiting list for the fall semester for the past five years, but who were unable to obtain University housing.

Fall Semester Waiting List Breakdown
(First Day of Classes)

Fall	Freshman	Transfers	Continuing	Total
2009[1]	5	50	89	144
2010	277	103	19	399
2011	105	75	25	205
2012	96	2	16	114
2013	425	47	98	570

Note: Figures were taken from housing reservation reports issued during the month of June for each of the years.
[1] The number of projected cancellations in Fall 2009 were very close to actual cancellations resulting in a shorter than usual waiting list.

On-Campus Rental Rates

Housing System rental rates are set annually during the Department of Housing's budget process, which takes place after various budget committees have identified the specific needs and strategic initiatives to be funded during the fiscal year. The financial services staff utilizes information from the budget committees to build a model that is shared with the Associate Vice President. During the discussion, some needs and initiatives for the Housing System may be removed in order to adjust rental rates according to broader University goals. In addition, data from other institutions as well as the local rental market are evaluated and incorporated into the decision making process. Once the proposed rate increase is determined by staff, the Campus Housing Committee discusses the rate. Following the Committee's endorsement of the new rate, the Vice President of Student Affairs presents the rate to the Board of Trustees for final approval.

The following table lists the predominant types of living accommodations in the Housing System available to students and the related historical and projected rental rates on a per student, per semester basis for each academic year. All rental rates on housing facilities include utilities. The projected rates shown below reflect a 5% annual increase for semester rates, and are for illustration purposes only. Management of the University makes no representation as to whether any rental rate increases will be made in the future. The projected rental rates were used in the calculation of projected Housing System Revenues set forth in "Projected Pledged Revenues and Debt Service Coverage." The Board has covenanted in the Original Resolution to recommend, fix and include in its budget rental rates that will produce sufficient revenues to pay amounts due with respect to the Outstanding Bonds and the 2013A Bonds.

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

	Historical					Projected				
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Traditional Residence Halls										
Single Room	$2,088	$2,338	$2,338	$2,408	$2,517	$2,630	$2,762	$2,900	$3,045	$3,197
Double Room	$1,958	$2,208	$2,208	$2,274	$2,377	$2,484	$2,608	$2,739	$2,876	$3,019
Triple Room	$1,698	$1,948	$1,898	$2,006	$2,097	$2,191	$2,301	$2,416	$2,536	$2,663
Hume Residence Hall (Suites)										
Single Room	$2,905	$3,155	$3,155	$3,250	$3,396	$3,549	$3,726	$3,913	$4,108	$4,314
Double Room	$2,730	$2,980	$2,980	$3,069	$3,208	$3,352	$3,520	$3,696	$3,880	$4,074
Springs Residence Hall (Suites)										
Single Room	$2,487	$2,737	$2,737	$2,819	$2,946	$3,079	$3,233	$3,395	$3,564	$3,743
Double Room	$2,302	$2,552	$2,552	$2,619	$2,747	$2,871	$3,015	$3,165	$3,324	$3,490
Lakeside/Keys Residence Hall										
Apartment	$2,503	$2,753	$2,753	$2,836	$3,078	$3,217	$3,378	$3,547	$3,724	$3,910
Murphree Residence Hall										
Two Room Double	$2,098	$2,348	$2,348	$2,418	$2,527	$2,641	$2,773	$2,912	$3,057	$3,210
Two Room Triple	$1,798	$2,048	$2,048	$2,109	$2,204	$2,303	$2,418	$2,539	$2,666	$2,799

Student Housing Payments and Collection

The relationship of rental rates to the students' ability to pay and the financial aid process is a very important part of the total financial structure of the Department of Housing. The normal payment program for housing is divided into two segments: a prepayment and a balance payment. For the fall semester, the first payment is due in February and the second payment is due in August. For the spring semester, the first payment is due in October and the second payment is due in December. Prior to the start of each semester, payment deferments and extensions are granted through an application process and verification of financial aid through the Department of Housing's portal.

Once a rent charge is assessed, the charges are immediately transferred to the University-wide accounts receivable system. Should the charges not be paid in full by the due date, a hold is put on a student's records. The hold prevents a student from registering for a subsequent semester and from receiving a transcript or diploma until the account is paid. The collection rate for all campus housing fees averaged 99% of the fees assessed for the past five years.

Comparison of Housing Rates

Currently, the rental rate for a typical on-campus, air-conditioned apartment-style facility averages approximately $621 per month per student. This rate includes all utilities, local telephone services, furniture, cable television, data connectivity, night time security and residence life staff.

A survey of comparable off-campus facilities is included in the following section. The off-campus facilities selected for this survey are located within eight miles of the University and are primarily student apartment facilities. The average cost for an off-campus, two-bedroom unfurnished apartment is $730 per month, per student. The off-campus rates do not include any auxiliary services other than water and sewage; nor do the rates for off-campus facilities include deposits for utilities and telephone or transportation costs.

Survey of Off-Campus Monthly Housing*

		Unit Types/Average Rent/Average GSF				
Property Name	Distance From UF (miles)	Studio Rent	1-Bedroom Rent	2-Bedroom Rent	3-Bedroom Rent	4-Bedroom Rent
Campus View	0.3			$1,450	$1,975	
Parkside I	0.3		$799			
Royale Palms	0.3		$1,215	$1,578	$2,155	
Sabal Palms	0.3				$2,260	$2,856
The Estates at Sorority Row	0.3	$94	$1,330	$1,725	$2,260	
Stratford Court	0.4		$1,205	$1,558	$2,185	$2,599
Wildflower Apartments	0.4		$1,330	$1,640	$2,113	
Camden Court	0.5			$1,598	$2,199	$2,628
College Manor	0.5	$63	$713	$1,104	$1,672	
Deco 39	0.5		$1,299	$1,698		$2,780
Museum Walk	0.5			$1,170	$1,360	
Archstone	0.6	$1,03	$1,320	$1,565	$2,140	$2,800
Heritage Oaks	0.7	$88	$1,299	$1,264	$1,960	
Jackson Square	0.7		$1,300	$1,600		
The Estates	0.7		$1,029	$1,258	$1,732	$2,220
Nantucket Walk	0.8			$1,550		
The Bartram	0.8		$1,475	$1,934	$2,260	
Upper Westside	0.8	$97	$1,194	$1,709		
2nd Ave Centre	1		$1,269	$1,478		$2,336
College Park	1	$70	$815	$1,196	$1,400	$1,999
Looking Glass	1.1	$87	$600	$1,350		
The Continuum	1.1	$92	$1,224	$1,478		$3,056
University House	1.2		$1,250	$1,510	$2,020	$2,360
Arlington Square Wisteria Downs	1.6	$77	$850	$1,020	$1,509	
Canopy	1.6			$1,390	$1,897	$2,220
The Enclave	1.6			$1,368	$1,852	
Gainesville Place	1.9			$1,308		$1,908
Average Rental Rate / Unit	**N/A**	**$86**	**$1,132**	**$1,460**	**$1,942**	**$2,480**

*Source: University of Florida - 400 Student Market Analysis.

Comparative Analysis:

Off-Campus Two-Bedroom Apartment Units (Unfurnished)

Average Monthly Rent =	$1,460
Average Monthly Rent per Student =	$730

The Keys (apartment-style, four bedroom furnished units - rate includes all services)

Fall & Spring Semesters =	$3,217	Each semester
Summer A & B Terms =	$804	Each semester
Annual Cost per Student =	$8,042	
Monthly Costs per Student =	$621	

Budgetary Process

Each spring, the proposed budget for the ensuing Fiscal Year is finalized. The budget figures are based upon actual numbers from the prior year and the current year, anticipated and projected changes in the current year, and major projects that are scheduled. The budget for the Housing System is prepared by the Associate Vice President for Student Affairs and Director of Housing for Financial and IT Services with participation, input and approval by the Inter-Residence Hall Association, Mayor's Council and the Campus Student Housing Committee.

The following table sets forth the proposed Housing System operating budgets for Fiscal Years 2011-12 through 2013-14 and actual results for Fiscal Years 2011-12 and 2012-13.

University Housing System Operating Budget

	2011-12 Budgeted Income & Expense	2011-12 Actual Income & Expense	Difference	2012-13 Budgeted Income & Expense	2012-13 Actual Income & Expense	Difference	2013-14 Budgeted Income & Expense
Residence Halls Rent							
Fall	$18,376,921	$ 18,879,300	$ 502,379	$ 19,193,214	$ 19,634,332	$441,118	$ 20,048,194
Spring	17,896,152	18,056,673	160,521	18,893,214	19,143,259	250,045	19,748,194
Summer A	460,000	546,444	86,444	550,000	479,290	(70,710)	650,000
Summer B	2,050,000	1,949,579	(100,421)	2,750,000	2,765,709	15,709	2,800,000
Application Fees	380,000	390,260	10,260	390,000	359,998	(30,002)	390,000
Village Housing Rent	4,413,555	4,245,769	(167,786)	4,341,726	4,413,384	71,659	6,291,610
Utility Income	415,000	330,828	(84,172)	400,196	308,428	(91,768)	370,000
Conference Income	900,000	880,926	(19,074)	900,000	912,208	12,208	900,000
Miscellaneous Income	475,000	477,138	2,138	475,000	672,875	197,875	400,000
Investment Income	700,000	447,057	(252,943)	700,000	285,262	(414,738)	450,000
Total Operating Income	$ 46,066,628	$ 46,203,973		$ 48,593,350	$ 48,974,746		$ 52,047,998
Operating Expenses	$15,953,727	$15,133,619	($820,108)	$11,027,400	$14,571,507	$3,544,107	$13,862,350
Salaries - USPS and Teams	16,500,000	15,857,503	(642,497)	16,500,000	15,765,662	(734,338)	16,830,000
Salaries - OPS	3,250,000	2,733,904	(516,096)	2,600,000	2,730,194	130,194	2,692,993
Debt Service Payments	5,041,505	4,895,778	(145,727)	7,593,338	6,813,493	(779,845)	6,808,594
Purchase of Furn. & Equipment > $5,000	500,000	909,686	409,686	400,000	505,889	105,889	400,000
Auxiliary Admin. Overhead	4,500,000	4,279,430	(220,570)	5,000,000	4,775,415	(224,585)	5,000,000
Student Personnel Higher Ed Scholarship	49,600	34,100	(15,500)	49,600	49,600	-	49,600
Credit Card Transaction Fee (2.6%)	12,000	10,172	(1,828)	12,000	9,171	(2,829)	12,000
Total Projected Expenditures	$ 45,806,832	$ 43,854,192		$ 43,182,338	$ 45,220,931		$ 45,655,537
Net Income or (Deficit) from Operations	$259,796	$2,349,782		$5,411,012	$3,753,815		$6,392,461
Master Plan Capital Improvement Projects	$6,176,636	$6,360,019	$183,383	$5,368,736	$9,632,857	$4,264,121	$6,377,853
Net Transfer To/from Reserves							
For Future Capital Improvements	$ (5,916,840)	$ (4,010,238)		$ 42,276	$ (5,879,042)		$ 14,608

Selected Historical Financial Information

The following tables set forth selected historical financial information for the Housing System for the five Fiscal Years ended June 30, 2013. The financial information for the Department of Housing was prepared by the University for internal management purposes as an integral part of the University's Financial Statements and has been independently audited. This information was prepared on an accrual basis and in accordance with generally accepted accounting principles.

The Department of Housing's activities are included in the University's Financial Statements. The University's financial statements are subject to audit procedures as part of the audit of Florida's Comprehensive Annual Financial Report. Additionally, the University's financial statements are independently audited by the State Auditor General's office. The University's audited financial statements for Fiscal Year 2011-12 are reproduced as Appendix H. The audited Housing System Revenue Fund financial statements for Fiscal Year 2012-13 are reproduced as Appendix I.

University of Florida Housing System
Historical Summary of Balance Sheet Data

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Current Assets:					
Pooled Cash and Investments	$22,069,524	$24,212,495	$14,432,928	$8,127,014	$3,000,264 [1]
Interest Receivable	55,472	69,310	45,740	21,068	3,689
Accounts Receivable	402,763	417,085	683,047	1,332,142	1,000,825
Net Student Receivables	140,466	128,568	86,867	93,119	131,647
Due from Housing Funds	-	1,578	-	-	-
Inventories	-	-	250,886	282,121	312,858
Total Current Assets	**22,668,225**	**24,829,036**	**15,499,468**	**9,855,464**	**4,449,283**
Furniture and Equipment:					
Furniture & Equipment	6,635,266	7,152,792	8,728,049	7,848,764	7,842,074
Less: Accumulated Depreciation	(3,635,713)	(4,294,713)	(5,400,273)	(5,205,173)	(5,455,960)
Total Furniture and Equipment	**2,999,553**	**2,858,080**	**3,327,776**	**2,643,591**	**2,386,114**
Total Assets	**25,667,778**	**27,687,115**	**18,827,244**	**12,499,055**	**6,835,397**
Current Liabilities:					
Accounts Payable	1,651,262	1,306,679	2,181,069	921,460	1,478,268
Retainage Payable	-	-	478,220	278,498	389,236
Due to Housing Funds	68,005	111,207	-	-	-
Unearned Rent	3,456,693	2,859,065	3,245,075	3,831,989	3,813,784
Compensated Absences	93,045	90,000	90,000	90,000	90,000
Total Current Liabilities	**5,269,005**	**4,366,950**	**5,994,364**	**5,121,947**	**5,771,288**
Noncurrent Liabilities:					
Compensated Absences	1,457,702	1,427,984	1,632,056	1,052,662	1,037,361
Total Noncurrent Liabilities	**1,457,702**	**1,427,984**	**1,632,056**	**1,052,662**	**1,037,361**
Total Liabilities	**6,726,707**	**5,794,934**	**7,626,420**	**6,174,609**	**6,808,649**
Net Assets:					
Invested in Capital Assets, Net of Related Debt	2,999,553	2,858,079	3,327,776	2,643,591	2,386,114
Unrestricted	15,941,518	19,034,102	7,873,048	3,680,855	(2,359,366)
Total Net Assets	**18,941,071**	**21,892,181**	**11,200,824**	**6,324,446**	**26,748**
Total Liabilities and Fund Balances:	$25,667,778	$27,687,115	$18,827,244	$12,499,055	$6,835,397

[1] The System has used cash over the historical period to finance renovations to existing facilities.

University of Florida Department of Housing and Residence Education
Statement of Revenues, Expenditures and Other Changes

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
OPERATING REVENUES					
Residence Hall Rents	$40,351,366	$44,108,967	$43,916,808 [2]	$45,225,966	$48,678,910
OPERATING EXPENSES[1]					
Salaries and Related Fringe Benefits	$15,912,057	$15,974,907	$18,169,292	$18,012,013	$18,480,556
Utilities	3,943,030	3,894,225	3,728,950	3,669,916	3,836,484
Repairs and Maintenance	4,302,717	4,631,102	6,725,319	7,100,377	5,580,087
Small Furniture and Equipment	527,464	424,417	1,843,651	2,172,088	2,171,159
Depreciation	754,692	795,371	1,000,495	887,306	684,448
Other Expenditures[3]	3,326,644	4,851,623	6,196,566	6,843,895	7,291,860
Total Expenditures	$28,766,604	$30,571,645	$37,664,273	38,685,595	38,044,594
Operating Income	$11,584,762	$13,537,322	$6,252,535	$6,540,371	$10,634,316
NON-OPERATING REVENUES (EXPENSES)					
Investment Income	$713,358	$775,781	$757,301	$447,057	$285,262
Miscellaneous	(915)	(24,166)	(19,676)	(34,100)	(44,203)
(Loss) Gain on Equipment Disposals	(35,834)	(62,019)	(63,370)	(808,127)	(115,531)
Total Non-operating Revenue (Expenses)	$676,609	$689,596	$674,255	($395,170)	$125,528
Income Before Transfers	$12,261,371	$14,226,918	$6,926,790	$6,145,201	$10,759,844
TRANSFERS					
Donated Surplus	$18,603	$5,227	$78,902	$34,496	$36,613
Transfer to Auxiliary Fund	(205,000)	-	-	-	-
Capital Contributions to Plant Fund	(5,681,466)	(6,232,732)	(13,207,607)	(6,160,297)	(10,280,662)
Debt Service Transfer	(5,032,238)	(5,048,303)	(5,047,082)	(4,895,778)	(6,813,493)
Total Transfers	($10,900,101)	($11,275,808)	($18,175,787)	($11,021,579)	($17,057,542)
Equity Transfer (Fund 146)	-	-	$557,640	-	-
Net Change in Net Assets	$1,361,270	$2,951,110	($10,691,357)	($4,876,378)	($6,297,698)
Net Assets, Beginning of Year	$17,579,801	$18,941,071	$21,892,181	$11,200,824	$6,324,446
Net Assets, End of Year	$18,941,071	$21,892,181	$11,200,824	$6,324,446	$26,748

[1] Includes administrative overhead paid to the University, which is legally subordinate to debt service as per the Bond Resolution, in the amount of $988,777 in Fiscal Year 2008-09, $2,759,053 in Fiscal Year 2009-10, $3,904,125 in Fiscal Year 2010-11, $4,279,430 in Fiscal Year 2011-12, and $4,775,415 in Fiscal Year 2012-13. This also includes one-time expenditures of $3.8 million in Fiscal Year 2010-11 and $1.3 million in Fiscal Year 2011-12 for renovations to housing facilities which are not considered Current Expenses under the Resolution.

[2] During Fiscal Year 2010-11, 16 graduate student housing units were off-line for renovation, resulting in a slight decline in revenues from the prior year.

[3] Other Expenditures includes administrative overhead, advertising, auditing services, bad debt, cable, computing services, equipment rentals, garbage service, insurance, office supplies, postage, printing, food service costs, subscriptions and memberships, telephone, travel and training. The increases in Other Expenditures in Fiscal Years 2009-10 and 2010-11 can primarily be attributed to increased administrative overhead.

Discussion and Analysis of Financial Condition and Results of Operations

For Fiscal Year 2008-09, the Department of Housing's operating revenues totaled $40,351,366 and operating expenses totaled $28,766,604. A mid-year rental increase of $10 per month for the spring semester was approved due to the large increase in utilities costs (utility costs in residence halls are included in the rental rate). The increase in operating revenue was 3.4% in the residence halls with rate structure adjustments. Graduate and family housing occupancy remained high at 98.8% and 98.7% during the 2008 and 2009 academic years, respectively. In June 2009, the construction services contract was signed for utility infrastructure improvements and the replacement of all site utilities at Corry Village (a 206 unit complex). A three year plan to install wireless connectivity in all common areas within the residence halls began. Installation of wireless connectivity in one-third of the residence halls buildings was completed in Spring 2009.

For Fiscal Year 2009-10, the Department of Housing's operating revenues totaled $44,108,967 and operating expenses totaled $30,571,645. Operating revenues increased due to the rental rate increase of 9.7% in our residence halls and 7.2% (on average) in graduate and family housing. Total expenses increased in Fiscal Year 2009-10 due to an increase in overhead assessments from 3% to 8%, which resulted in an increase in total expenses of $1,811,298. Additionally, salary expenses increased due to changes in fringe benefits costs (the Department of Housing contributes to a fringe benefit pool established by UF and rates are determined by employee classification). A three year plan to install wireless connectivity in all common areas within the residence halls continued, with the installation in two-thirds of the residence halls buildings completed in Spring 2010. Planning began for the renovation of Corry Village Building 281 and the demolition and rebuilding of a commons building in Corry Village.

For Fiscal Year 2010-11, the Department of Housing's operating revenues totaled $43,916,808 and operating expenses totaled $37,664,273. Operating expenses increased from Fiscal Year 2009-10 levels due, in part, to an increase in overhead assessments from 8% to 11.8%, which resulted in an increase in total expenses of $1,145,072. Additionally, salary expense increased due to changes in fringe benefits costs, merit raises and salary step changes. During the fiscal year, the Department of Housing began a three year initiative to replace the furniture in the lounges and residential rooms in all of the residence halls, which also contributed to the increase in expenses. During this time the University was able to capitalize on the weakened construction economy to complete minor renovations and repairs to facilities which also contributed to the increase in expenses. During the summer of 2010, planning began for the renovation of Corry Village Building 281 and the demolition and rebuilding of the Commons building in Corry Village. Corry Village Building 281 renovation was completed late spring 2011 for a cost of $1,472,052. Tolbert Hall bathrooms were also updated and renovated for a total cost of $2,247,206. Construction began in early summer 2011 on the Corry Commons as well as Corry Village Building 289. Jennings Hall electrical distribution, fire sprinklers, bathroom, windows and floor tile were upgraded and renovated for a total cost of $2,368,578. Finally, planning and construction began for the Murphree Commons, which will be funded with $1,230,000 in cash from the Housing System.

For Fiscal Year 2011-12, the Department of Housing's operating revenues totaled $45,225,966 and operating expenses totaled $38,685,595. Total operating expenses increased in Fiscal Year 2011-12 due to an increase in overhead assessments from 11.3% to 12%, as well as salary expenses due to changes in fringe benefits costs, merit raises and salary step changes. The Department of Housing continued the three year initiative to replace the furniture in the lounges and residential rooms in all residence halls, which contributed to increased expenses. Several other major construction projects were completed and started during the fiscal year. The Murphree Commons renovation was completed. The renovation included new flooring, electronic signage, new office space and furniture for a total cost of $1,047,143. In preparation for the renovation of Broward Hall during the summer of 2013, the area's electrical wiring was upgraded for a total cost of $1,345,818. Additionally, the Department of Housing received proceeds from the issuance of bonds in the amount of $27,196,685. Bond proceeds were used to begin the renovation of Weaver Hall during the summer. The remaining funds will be used to complete the renovation of eleven buildings in Corry Village and to add air conditioning to Thomas and Buckman Halls over the next three years.

For Fiscal Year 2012-13, the Department of Housing's operating revenues totaled $48,678,910 and operating expenses totaled $38,044,594. Total operating expenses in Fiscal Year 2012-13 decreased, however the Department of Housing's annual debt service payment increased, due to the issuance of the 2012A Bonds. Several major construction projects were completed and started during the fiscal year. The renovation of Weaver Hall was completed. Renovation work continued in Broward Hall, which is one of the Department of Housing's largest facilities on campus. Renovations included new bathrooms (new showers and sinks), new kitchen lounges with new furniture, new floors, and new residential furniture and wardrobes in the student rooms. Another large renovation project completed was the Tanglewood Commons and laundry facility in one of the on-campus Graduate and Family Housing communities. Renovations included a new commons room with furniture and a new flat panel television, and a recreational room for

residents. Included in the renovation was a workout room and new laundry room. Renovation also continued in Corry Village, and planning began to add air conditioning to Thomas and Buckman Halls.

Statement of Revenues, Expenses and Changes in Net Assets for the two-months ended August 31, 2013

The following table sets forth selected financial information for the two-month periods ending August 31, 2012 and 2013. The information was prepared on a cash basis and has not been audited.

University Housing System
Statement of Revenues, Expenses and Changes in Net Assets
Comparison of Two-Month Periods Ended August 31
UNAUDITED - CASH BASIS

	Two-Month Period Ended August 31	
	2012	**2013**
OPERATING REVENUES		
Residence Hall Rents	**$ 6,117,911**	**$ 6,118,610**
OPERATING EXPENSES		
Salaries and Related Fringe Benefits	3,209,927	3,339,345
Utilities	777,886	892,171
Repairs and Maintenance	747,044	847,605
Small Furniture and Equipment	1,294,467	482,549
Depreciation	-	73,706
Other Expenditures	1,227,965	1,191,412
TOTAL OPERATING EXPENSES	**7,257,288**	**6,826,789**
OPERATING INCOME	**$ (1,139,377)**	**$ (708,180)**
NON OPERATING REVENUES(Expenses)		
Investment Revenue	19,404	4,051
Miscellaneous Revenue	-	-
Financial Scholarship Transfer	(21,700)	(31,000)
(Loss) on Equipment Disposal	-	-
TOTAL NON OPERATING REVENUES (Expenses)	**(2,296)**	**(26,949)**
INCOME BEFORE TRANSFERS	**$ (1,141,673)**	**$ (735,129)**
TRANSFERS		
Donated Surplus	-	-
Capital Contributions to Plant Fund	(786,051)	(2,210,616)
Debt Service Transfer	(1,134,197)	(1,134,766)
TOTAL TRANSFER	**(1,920,248)**	**(3,345,381)**
CHANGE IN NET ASSETS	**(3,061,921)**	**(4,080,510)**
TOTAL NET ASSETS - BEGINNING	**11,200,824** [1]	**8,138,903**
TOTAL NET ASSETS - ENDING	**$ 8,138,903**	**$ 4,058,393**

[1] Ending Net Position as of June 30, 2011.

Historical Debt Service Coverage

The following table shows historical operating results and debt service coverage ratios for the last five fiscal years.

University of Florida Housing System
Historical Debt Service Coverage[1]

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Gross Revenues:					
Residence Hall Rent and Other Revenues	$40,351,366	$44,108,967	$43,916,808	$45,225,966	$48,678,910
Investment Revenue[2]	713,358	775,781	757,301	447,057	285,262
Total Revenues	$41,064,724	$44,884,748	$44,674,109	$45,673,023	$48,964,172
Less:					
Current Expenses[3]	$27,023,135	$27,023,478	$28,962,074[4]	$32,222,659[5]	$32,584,731
Debt Service, Prior Lien Obligations (Series 1984)	185,150	185,700	185,700	185,750	185,650
Pledged Revenues	$13,856,439	$17,675,770	$15,526,335	$13,264,614	$16,193,791
Annual Debt Service on the Parity Bonds	$4,848,098	$4,860,390	$4,856,640	$4,709,474	$6,619,547
Maximum Annual Debt Service on the Parity Bonds	$4,888,131	$4,888,131	$4,888,131	$4,888,131	$6,649,944
Debt Service Coverage - Annual Debt Service	2.86x	3.64x	3.20x	2.82x	2.45x
Debt Service Coverage - Maximum Annual Debt Service	2.83x	3.62x	3.18x	2.71x	2.44x

[1] The financial information related to revenues and expenses was provided by the University.

[2] Investment revenue includes interest on the available beginning cash balances in the Housing System operation accounts.

[3] Current Expenses are operating expenses of the Housing System as defined in the Resolution, which is net of depreciation and administrative overhead paid to the University.

[4] Excludes extraordinary one time expenditures of $3.8 million for renovations to housing facilities, which are not considered Current Expenses under the Resolution.

[5] Excludes extraordinary one time expenditures of $1.3 million for renovations to housing facilities, which are not considered Current Expenses under the Resolution.

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Projected Pledged Revenues and Debt Service Coverage

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

Revenue projections for the existing facilities are based on rental rate increases of 5% per year and student occupancy rates of 100% for the fall and 99% for the spring terms of each year. Operating expenses for the Housing System during the forecast period are based upon the University's past experience in operating the Housing System and are projected to increase 3% annually.

University of Florida Housing System
Projected Debt Service Coverage[1]

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Gross Revenues:					
Residence Hall Rent and Other Revenues	$51,112,856	$53,668,498	$56,589,942	$59,419,439	$62,390,411
Investment Revenue[2]	293,820	302,634	311,713	321,065	330,697
Total Revenues	$51,406,676	$53,971,132	$56,901,655	$59,740,504	$62,721,108
Less:					
Current Expenses[3]	$34,073,137	$35,095,332	$37,525,782	$38,651,555	$39,811,102
Debt Service, Prior Lien Obligations (Series 1984)	185,400	-	-	-	-
Pledged Revenues	$17,148,139	$18,875,800	$19,375,873	$21,088,949	$22,910,006
Annual Debt Service on the Parity Bonds	$7,578,104	$8,090,006	$8,051,306	$8,038,106	$8,061,956
Maximum Annual Debt Service on the Parity Bonds	$8,090,006	$8,090,006	$8,061,956	$8,061,956	$8,061,956
Debt Service Coverage - Annual Debt Service	2.26x	2.33x	2.41x	2.62x	2.84x
Debt Service Coverage - Maximum Annual Debt Service	2.12x	2.33x	2.40x	2.62x	2.84x

[1] The financial information related to revenues and expenses was provided by the University.

[2] Investment revenue includes interest on the available beginning cash balances in the Housing System operation accounts.

[3] Current Expenses are operating expenses of the Housing System as defined in the Resolution, which is net of depreciation and administrative overhead paid to the University.

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SCHEDULE OF DEBT SERVICE

The table below shows the debt service on the Prior Lien Obligations, the Outstanding Parity Bonds, the debt service on the 2013A Bonds and the total debt service.

Fiscal Year Ended June 30	Prior Lien Obligations[1]	Parity Bonds[2]	Debt Service on 2013A Bonds			Total Debt Service
			Principal	Interest	Total	
2014	$185,400	$6,351,694	$ 360,000	$ 556,573	$ 916,573	$7,578,104
2015	-	6,372,244	685,000	1,032,763	1,717,763	8,090,006
2016	-	5,794,094	1,245,000	1,012,213	2,257,213	8,051,306
2017	-	5,790,694	1,285,000	962,413	2,247,413	8,038,106
2018	-	5,780,944	1,370,000	911,013	2,281,013	8,061,956
2019	-	5,784,994	1,415,000	842,513	2,257,513	8,042,506
2020	-	4,866,544	1,490,000	771,763	2,261,763	7,128,306
2021	-	4,854,144	1,580,000	697,263	2,277,263	7,131,406
2022	-	4,860,006	1,655,000	618,263	2,273,263	7,133,269
2023	-	4,858,700	1,745,000	535,513	2,280,513	7,139,213
2024	-	4,779,725	1,015,000	448,263	1,463,263	6,242,988
2025	-	4,788,200	1,045,000	417,813	1,462,813	6,251,013
2026	-	4,782,238	1,080,000	386,463	1,466,463	6,248,700
2027	-	4,784,306	1,115,000	351,363	1,466,363	6,250,669
2028	-	4,787,569	1,150,000	312,338	1,462,338	6,249,906
2029	-	3,984,275	1,200,000	266,338	1,466,338	5,450,613
2030	-	3,978,131	1,245,000	218,338	1,463,338	5,441,469
2031	-	1,930,275	1,295,000	168,538	1,463,538	3,393,813
2032	-	-	1,385,000	116,738	1,501,738	1,501,738
2033	-	-	1,445,000	59,606	1,504,606	1,504,606
	$185,400	$89,128,775	$24,805,000	$10,686,079	$35,491,079	$124,929,692

[1] Includes the Series 1984 Bonds.

[2] Excludes the Refunded Bonds.

PROVISIONS OF STATE LAW

Bonds Legal Investment for Fiduciaries

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

Negotiability

The 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 2014 through 2023, 2028 and 2029 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 2024 through 2027 and 2030 through 2033 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

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

Funds Held Pursuant to the Resolution - The Resolution directs the manner in which 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 deposited in a fund in the State Treasury for purposes of refunding the Refunded Bonds. 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-, Aa2 and AA, 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 Housing 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 Parity 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 and Financial Guaranty Insurance Company (FGIC); Moody's and S&P have withdrawn

their ratings for FGIC. 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 K.

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 J, Form of Continuing Disclosure Agreement. This undertaking is being made in order to assist the underwriters in complying with Rule 15c2-12 of the Securities and Exchange Commission.

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

Underwriting

UBS Financial Services, Inc. (the "Underwriter") has agreed to purchase the 2013A Bonds at an aggregate purchase price of $26,421,544.90 (which represents the par amount of the 2013A Bonds plus an original issue premium of $1,814,984.90 and minus the Underwriters' discount of $198,440). 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

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DEFINITIONS

"1984 Bonds" means the $3,500,000 State of Florida, Board of Regents, University of Florida Housing Revenue Certificates, Series of 1984.

"2005A Bonds" means the $37,610,000 State of Florida, Florida Education System, University of Florida Housing Revenue Refunding Bonds, Series 2005A.

"2011A Bonds" means the $16,350,000 State of Florida, Board of Governors, University of Florida Dormitory Revenue Refunding Bonds, Series 2011A.

"2012A Bonds" means the $26,500,000 State of Florida, Board of Governors, University of Florida Dormitory Revenue Bonds, Series 2012A.

"2013A Bonds" means the $24,805,000 State of Florida, Board of Governors, University of Florida Dormitory Revenue Bonds, Series 2013A, issued to finance the construction of the 2013A Project and the refunding of the Refunded Bonds.

"2013A Project" means the construction of a student housing facility on the main campus of the University, as previously 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 New Money Portion of the 2013A Bonds and other available moneys for the construction of the 2013A Project.

"Additional Parity Bonds" means, at any point in time, Bonds to be issued on a parity with the Bonds then Outstanding.

"Amortization Installment" means an amount so designated which is established for the Term Bonds of each Series; provided that each such Amortization Installment shall be deemed due upon the date provided by 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" means, for any Fiscal Year, the remaining amount (with respect to the particular Series of Bonds, or all Bonds, as the case may be), required to be deposited in such Fiscal Year into the Sinking Fund to pay the interest, principal and Amortization Installment in such Fiscal Year. In the calculation of the Annual Debt Service Requirement, any interest, principal, or Amortization Installment payable on July 1 of any Fiscal Year shall be deemed payable in the prior Fiscal Year. The amount of Term Bonds maturing in any Fiscal Year, excluding the Amortization Installment due in the year of maturity, shall not be included as part of the Amortization Installment in determining the Annual Debt Service Requirement for that Fiscal Year.

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

"Authorizing Resolution" means the resolutions adopted on October 10, 2013 by the Governing Board, authorizing the issuance of not exceeding $25,000,000 State of Florida, Board of Governors, University of Florida Dormitory Revenue Bonds, Series 2013A and $6,500,000 State of Florida, Board of Governors, University of Florida Dormitory Revenue Refunding Bonds, Series (to be determined).

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

"Board of Governors" means the 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 Counsel" means counsel, experienced in matters relating to the validity of, and the tax exemption of interest on, obligations of states and their political subdivisions, as selected by the Division of Bond Finance.

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

"Bonds" means the State of Florida, University of Florida Housing/Dormitory Revenue Bonds issued from time to time pursuant to the Original Resolution.

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

"Current Expenses" means and include all necessary operating expenses, current maintenance charges, expenses of reasonable upkeep and repairs, properly allocated share of charges for insurance and all other expenses of the Board of Governors or the University incident to the operation of the Housing System as expanded by the terms of the Resolution, 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 Housing System Building Maintenance and Equipment Reserve Fund provided for in the Original Resolution.

"Debt Service Reserve Account" or "Reserve Account" means the account within the Sinking Fund created pursuant to Section 5.01(B) of the Original Resolution and which shall include any subaccounts established for a particular Series of Bonds.

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

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

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

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

"Gross Revenues" means all fees, rentals or other charges and income received by the Board of Governors or 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 Housing System, and all parts thereof, together with all receipts and income of any kind derived from the Housing System, without any deductions whatever, and specifically including, without limiting the generality of the foregoing, room rental income, linen rental fees, and any special rental fees or charges for services or space provided.

"Holder of Bonds" or "Bond Holder" or any similar term, means any person who shall be the registered owner of any Bonds.

"Housing System" or "University of Florida Housing System" means those dormitory units, apartments, or other living units at the University, the revenues of which are pledged to the Prior Lien Obligations and the Bonds, together with such additions thereto as shall be made from time to time. The Housing System consists of facilities known as Broward, Hume, Rawlings, Corry Village, Jennings, Graham, Trusler, Simpson, East, Beaty Towers, University Village South, Fletcher, Sledd, Buckman, Thomas, Murphree, Tolbert, North, Riker, Weaver, Yulee, Mallory, Reid, Keys Residential Complex, Springs Residential Complex, Lakeside Residential Complex, Diamond Village, Tanglewood Apartments, and such additional facilities as at some future date may be added to the Housing System.

"Interest Payment Date" means, for the 2013A Bonds, January 1 and July 1 of each year.

"Maximum Annual Debt Service" means, 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.

"New Money Portion" means the portion of the 2013A Bonds the proceeds of which will be used to finance the construction of the 2013A Project.

"Original Resolution" means the resolution adopted by the Governing Board on January 10, 1989, as amended and restated in its entirety on June 13, 2000, and as amended and supplemented through the date of the Authorizing Resolution.

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

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

(ii) bonds which are deemed paid and defeased and no longer outstanding as provided in the document authorizing such bonds;

(iii) bonds in lieu of which other bonds have been issued pursuant to the provisions of the document authorizing such bonds 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 under the document authorizing such bonds by the Registered Owners of a specified percentage of principal amount of such bonds, bonds held by or for the account of the Division or the Board of Regents.

"Parity Bonds" means the 2005A Bonds, the 2011A Bonds, the 2012A Bonds and any Additional Parity Bonds.

"Pledged Revenues" means the net revenues of the Housing System, after deducting from Gross Revenues the Current Expenses and amounts required for the Prior Lien Obligations.

"Principal Payment Date" means, 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.

"Prior Lien Obligations" means the 1984 Bonds.

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

"Record Date" means December 15 for the January 1 debt service payment and June 15 for the July 1 debt service payment.

"Refunded Bonds" means a portion of the State of Florida, Florida Education System, University of Florida Housing Revenue Refunding Bonds, Series 2005A maturing in the years 2016 through 2023.

"Refunding Portion" means the portion of the 2013A Bonds the proceeds of which will be used to refund the Refunded Bonds.

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

"Reserve Account Credit Facility" means a Reserve Account Insurance Policy, Reserve Account Letter of Credit or other comparable insurance, guarantee or financial product, if any, deposited in a sub-account of the Reserve Account in lieu of or in partial substitution for cash or securities on deposit therein. The issuer providing 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" means the insurance policy, surety bond or other acceptable evidence of insurance, if any, deposited in a sub-account of the Reserve Account, if any, in lieu of or in partial substitution for cash or securities on deposit therein. The issuer providing 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" means the irrevocable, transferable letter of credit, if any, in lieu of or in partial substitution for cash or securities on deposit therein. The issuer providing such Reserve Account Letter of Credit shall be a banking association, bank or trust company, or branch thereof rated in one of the two highest full rating categories of a Rating Agency.

"Reserve Requirement"* or "Debt Service Reserve Requirement"* means with respect to each subaccount in the Debt Service Reserve Account, the lesser of (1) the maximum annual debt service on the Bonds secured by such subaccount, or (2) 125% of the average annual debt service on the Bonds secured by such subaccount, but not to exceed 10% of the par amount of the Bonds secured by such subaccount.

"Resolution" means, collectively, the Original Resolution as amended and supplemented through the Authorizing Resolution.

"Revenue Fund" means the University of Florida Housing System Revenue Fund established in 1959 and continued by section 4.03 of the Original Resolution.

"Series" or "Series of Bonds" means 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" means the fund created by subsection 5.01 (B) of the Original Resolution.

"State" means the State of Florida.

"Term Bonds" means 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 created by the Resolution, as maybe provided in a subsequent resolution of the Division.

"University" means the University of Florida.

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.

* There will not be a Debt Service Reserve Account funded for the 2013A Bonds.

APPENDIX B

RESOLUTION

WHEREAS, on January 10, 1989, the Governor and Cabinet, sitting as the Governing Board of the Division of Bond Finance of the State of Florida Department of General Services (the "Division"), approved a resolution (the "Original Resolution") authorizing a bond issue in an amount not to exceed Seven Million Five-Hundred Thousand Dollars ($7,500,000) (the "1989 Bonds"), for construction of a single student apartment facility, and associated costs; and

WHEREAS, the Original Resolution was amended and restated on April 25, 1989, and was amended on June 13, 1989, October 20, 1992 and May 11, 1993; and

WHEREAS, Section 6.01(B) of the Original Resolution requires that, prior to the issuance of additional parity bonds, 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 canceled;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNOR AND CABINET AS THE GOVERNING BOARD OF THE DIVISION OF BOND FINANCE:

(A) That the Original Resolution, as amended and restated on April 25, 1989, and as amended on June 13, 1989, October 20, 1992 and May 11, 1993, is hereby restated in its entirety, as follows:

"**A RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $7,500,000 STATE OF FLORIDA BOARD OF REGENTS UNIVERSITY OF FLORIDA HOUSING REVENUE BONDS, SERIES 1989, TO FINANCE THE CONSTRUCTION OF A SINGLE STUDENT APARTMENT FACILITY AT THE UNIVERSITY OF FLORIDA; 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 OF FLORIDA DEPARTMENT OF GENERAL SERVICES ON BEHALF OF AND FOR THE BENEFIT OF THE BOARD OF REGENTS OF THE DIVISION OF UNIVERSITIES OF THE STATE OF FLORIDA DEPARTMENT OF EDUCATION.

ARTICLE I
STATUTORY AUTHORITY, FINDINGS, AND DEFINITIONS

Section 1.01. AUTHORITY FOR THIS RESOLUTION. This Resolution (hereinafter "Resolution") is adopted pursuant to the provisions of Article VII, Section ll(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. FINDINGS. It is hereby found, determined, and declared as follows:

(A) The Board of Regents of the Division of Universities of the Department of Education of the State of Florida (hereinafter "Board of Regents") 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 Regents 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 a single-student apartment facility (hereinafter defined and referred to as "the 1989 Project") at the University of Florida (hereinafter the "University") is necessary, desirable and in the best interest of the University.

(C) The Board of Regents, by resolution adopted November 21, 1988, has requested the Board of Education and the Division of Bond Finance of the State of Florida Department of General Services (hereinafter the "Division of

Bond Finance") to take the necessary actions required for the issuance of the State of Florida Board of Regents University of Florida Housing Revenue Bonds, Series 1989, to finance the 1989 Project.

(D) The State at this time is without immediately available funds to make the capital outlay necessary for the renovation and construction of the 1989 Project.

(E) Pursuant to the State Bond Act, the Division of Bond Finance is authorized to issue the Bonds on behalf of the Board of Regents to finance the 1989 Project.

(F) (1) The 1989 Project shall be the construction and establishment of a single-student apartment facility substantially in accordance with the plans and specifications as may be approved by the Board of Regents from time to time.

(2) The Florida Legislature approved the 1989 Project in Section 60 of Chapter 88-557, Laws of Florida.

(G) The anticipated revenues to be derived by the Board of Regents will be sufficient to pay the principal of and interest on all of the Prior Lien Bonds (as hereinafter defined) and Bonds to be issued pursuant to this Resolution, and to make all Reserve, Sinking Fund, and other payments provided for herein.

(H) The principal of and interest on the Bonds to be issued pursuant to this 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 Regents in the manner provided by this Resolution, consisting of the Pledged Revenues as herein defined.

(I) The Bonds to be issued pursuant to this 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 ll(d), Florida Constitution, and shall be payable solely from funds derived from sources other than state tax revenues or rents or fees paid from state tax revenues.

(J) The Division of Bond Finance, pursuant to the Statutes and Constitutional provisions herein cited, is authorized to issue the Bonds, on behalf of, and in the name of the Board of Regents, subject to the terms, limitations and conditions contained in this Resolution.

(K) 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.

(L) The Board of Control of Florida, as the predecessor of the Board of Regents, has heretofore created the Housing System of the University of Florida and issued $9,962,000 University of Florida Housing Revenue Bonds, Series A, B, C and D.

(M) The Board of Regents has heretofore authorized certain additions to the Housing System at the University of Florida and has issued $5,230,000 University of Florida Housing Revenue Bonds, Series E and F.

(N) The Board of Regents has previously acquired and renovated certain existing housing facilities and buildings, known as the 1974 Project, and the Division of Bond Finance has issued on behalf of the Board of Regents the $2,880,000 University of Florida Housing System Revenue Bonds, Series of 1974 (the "1974 Bonds"), to pay the costs thereof.

(O) The Board of Regents has heretofore authorized certain renovations to the Murphree Area Dormitories at the University of Florida, and the Division of Bond Finance has issued on behalf of the Board of Regents, the $3,500,000 University of Florida Housing Revenue Certificates, Series 1984.

(P) It is in the best interest of the citizens and inhabitants of the State to authorize the addition of certain dormitories to the existing Housing System at the University, as provided herein.

(Q) The lien of the $7,500,000 University of Florida Housing Revenue Bonds, authorized to be issued pursuant to this Resolution, will be junior and subordinate to the lien of the outstanding University of Florida Housing Revenue

Bonds, Series A through F, on the Pledged Revenues as defined herein, junior and subordinate to the lien of the 1974 Bonds on said Pledged Revenues, and junior and subordinate to the lien of the Outstanding University of Florida Housing Revenue Certificates, Series 1984, on said Pledged Revenues.

(R) The Board of Regents is in full compliance with all obligations on its part in connection with the outstanding University of Florida Housing Revenue Bonds, Series A through F, the University of Florida Housing Revenue Bonds, Series of 1974, and University of Florida Housing Revenue Certificates, Series 1984.

(S) The Board of Regents is authorized and agrees to pay for the retirement of the 1989 Bonds from the Pledged Revenues.

(T) It is in the best interests of the Board of Regents and the citizens and inhabitants of the State of Florida that the cost of the 1989 Project be financed as contemplated by the legal authorities referred to in this Resolution and in the manner provided hereby.

Section 1.03. RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the acceptance of the 1989 Bonds by those who shall hold the same from time to time, this Resolution, as amended and supplemented from time to time, shall be deemed to be and shall constitute a contract among the Division of Bond Finance, the Board of Regents, the University and such Bond Holders. The covenants and agreements to be performed by the Division of Bond Finance, the Board of Regents and the University shall be for the equal benefit, protection, and security of the legal holders of any and all of the Bonds, all of which shall be of equal rank and without preference, priority, or distinction as to any of such Bonds over any other thereof, except as expressly provided therein or herein.

Section 1.04. DEFINITIONS. The following terms shall have the following meanings in this Resolution unless the text otherwise requires:

"Act" or "Acts" shal1 mean the State Bond Act, Sections 215.57-215.84, Florida Statutes; and Chapters 240 and 243, Florida Statutes.

"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 by 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.

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

"Bond Amortization Account" shall mean the account within the 1989 Housing System Bond Interest and Sinking Fund created pursuant to Section 5.01 of the Resolution.

"Bond Counsel" shall mean counsel, experienced in matters relating to the validity of, and the tax exemption of interest on, obligations of states and their political subdivisions, as selected by the Division of Bond Finance.

"Bond Insurance Policy" shall mean an insurance policy issued for the benefit of the Holders of any Bonds, pursuant to which the issuer of such insurance policy shall be obligated to pay when due the principal of and interest on such Bonds 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 Citibank, N.A., New York, New York, or its successor.

"1974 Bonds" shall mean the State of Florida Division of Bond Finance of the Department of General Services University of Florida Housing System Revenue Bonds, Series of 1974.

"1959 Bonds" shall mean the University of Florida Housing Revenue Bonds, Series A, B, C, D, E and F.

"Bonds" or "1989 Bonds" shall mean the not to exceed $7,500,000 University of Florida Housing Revenue Bonds, Series 1989, and any additional parity bonds issued in accordance with Section 6.01 hereof.

"Certificates" or "1984 Certificates" shall mean the State of Florida Board of Regents University of Florida Housing Revenue Certificates, Series of 1984.

"1989 Construction Fund" or "1989 Construction Trust Fund" shall mean a trust fund in which shall be deposited the net proceeds of the 1989 Bonds and other available moneys for the construction of the 1989 Project.

"Current Expenses" shall mean and include all necessary operating expenses, current maintenance charges, expenses of reasonable upkeep and repairs, properly allocated share of charges for insurance and all other expenses of the Board of Regents incident to the operation of the Housing System as expanded by the terms of this Resolution, but shall exclude depreciation, all general administrative expenses of the Board of Regents, the expenses of operation of auxiliary facilities the revenues of which are not pledged as security for the Bonds and the payments into the Housing System Building Maintenance and Equipment Reserve Fund hereinafter provided for.

"Debt Service Reserve Account" or "Reserve Account" shall mean the account within the 1989 Housing System Bond Interest and Sinking Fund created pursuant to Section 5.01 of the Resolution and which shall include any sub-accounts established for a particular Series of Bonds.

"Division" or "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.

"Gross Revenues" shall mean all fees, rentals or other charges and income received by the Board of Regents 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 Housing System, and al1 parts thereof, together with all receipts and income of any kind derived from the Housing System, without any deductions whatever, and specifically including, without limiting the generality of the foregoing, room rental income, linen rental fees, and any special rental fees or charges for services or space provided.

"Holder of Bonds" or "Bond Holder," or any similar term, shall mean any person who shall be the registered owner of any Bonds.

"Housing System" or "University of Florida Housing System" shall mean those dormitory units, apartments, or other living units at the University, the revenues of which are pledged to the Prior Lien Obligations and, the Bonds, together with such additions thereto as shall be made from time to time. The Housing System consists of facilities known as Broward, Hume, Rawlings, Corry, Schucht, Jennings, Graham, Trusler, Simpson, East, Beaty Towers, University Village South, Fletcher, Sledd, Buckman, Thomas, Murphree, Tolbert, North, South, Weaver, Yulee, Mallory and Reid. The 1989 Project shall be added to the Housing System upon its completion.

"1989 Housing System Bond Interest and Sinking Fund" shall mean the fund created in Section 5.01 (B) of this Resolution.

"Outstanding", when used with reference to the Bonds, shall mean, as of any date of determination, all Bonds theretofore authenticated and delivered except:

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

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

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

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

"Pledged Revenues" shall mean the net revenues of the Housing System after deducting from Gross Revenues the Current Expenses and amounts required for the Prior Lien Obligations.

"Prior Lien Obligations" shall mean the University of Florida Housing Revenue Bonds, Series A through F, the 1974 Bonds, and the 1984 Certificates outstanding from time to time.

"Project Costs" shall mean the actual costs of the 1989 Project, including costs of construction; materials, labor, furnishings, equipment, and apparatus; 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 1989 Project; advances by the Board of Regents for renovation or construction; interest on the Bonds for a reasonable period after date of delivery thereof, if necessary; an amount sufficient to establish adequate reserves; architect and engineering fees; legal fees; fees and expenses of the Division of Bond Finance or the Board of Regents necessary to the construction and placing in operation of the 1989 Project and the financing thereof.

"1989 Project" shall mean the following facilities 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, and the State Board of Education, and is more specifically described as follows:

The design, construction, sitework, parking and equipment for a 108 unit single student apartment facility to house up to 422 students and related supporting spaces.

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

"Rebate Amount" shall have the meaning ascribed to that term in Section 3.05 of this Resolution.

"Rebate Fund" shall mean the Rebate Fund created and established pursuant to Section 3.05 of this Resolution.

"Rebate Year" shall mean, with respect to the Bonds issued hereunder, (i) the twelve-month period commencing on the anniversary of the "closing date" with respect to the Bonds 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 with respect to the Bonds shall commence on the "closing date" for such Bonds and the final Rebate Year with respect to the Bonds shall end on the date of final maturity of such Bonds 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 with respect to the Bonds issued hereunder the date of issuance and delivery of such Bonds to the original purchaser thereof.

"Record Date" shall mean December 15 for the January 1 debt service payment and June 15 for the July 1 debt service payment.

"Reserve Account Credit Facility" shall mean a Reserve Account Insurance Policy, Reserve Account Letter of Credit or other comparable insurance, guarantee or financial product, if any, deposited in a sub-account of the Reserve Account in lieu of or in partial substitution for cash or securities on deposit therein. The issuer providing 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 reserve sub-account of the Reserve Account, if any, in lieu of or in partial substitution for cash or securities on deposit therein. The issuer providing such Reserve Account Insurance Policy shall be an insurer rated in one of the two highest full rating categories by a Rating Agency.

"Reserve Account Letter of Credit" shall mean the irrevocable, transferable letter of credit, if any, deposited in a sub-account of the Reserve Account, if any, in lieu of or in partial substitution for cash or securities on deposit therein. The issuer providing such letter of credit shall be a banking association, bank or trust company or branch thereof which shall be rated in one of the two highest full rating categories by a Rating Agency.

"Reserve Requirement" or "Debt Service Reserve Requirement" shall mean with respect to each subaccount in the Debt Service Reserve Account, the lesser of (1) the maximum annual debt service requirement on the Bonds

secured by such subaccount, or (2) 1.25% of the average annual debt service on the Bonds secured by such subaccount, but not to exceed 10% of the proceeds of 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 1989 Bonds.

"1959 Resolution" shall mean the resolution adopted by the Board of Control, authorizing the issuance of University of Florida Housing System Revenue Bonds, Series A, B, C & D in l959; together with the resolution of the Board of Regents authorizing the issuance of University of Florida Housing System Revenue Bonds, Series E in 1965, and the resolution of the Board of Regents authorizing the issuance of University of Florida Housing System Revenue Bonds, Series F in 1968, as subsequently amended.

"1974 Resolution" shall mean the resolution adopted by the Governor and Cabinet as the Governing Board of the Division of Bond Finance of the Department of General Services authorizing the issuance of the 1974 Bonds.

"l984 Resolution" shall mean the resolution adopted by the Governor and Cabinet as the State Board of Education authorizing the issuance of the l984 Certificates.

"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.

"State Board" shall mean the State Board of Education of Florida, as constituted pursuant to Article IX, Section 2 of the Florida Constitution.

"Sinking Fund" or "1989 Sinking Fund" shall mean the fund created by subsection 5.01(B) 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 1989 Housing System Bond Interest and Sinking Fund, hereinafter created, as may be provided in a subsequent resolution of the Division.

"University" shall mean the University of Florida.

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.

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

Section 2.01. AUTHORIZATION OF 1989 BONDS. Subject and pursuant to the provisions of this Resolution, fully registered revenue bonds of the Board of Regents of the State University System to be known as "State of Florida Board of Regents University of Florida Housing Revenue Bonds, Series 1989", 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 Seven Million Five Hundred Thousand Dollars ($7,500,000), for the purpose of financing the construction and equipping of the 1989 Project as described herein.

Section 2.02. DESCRIPTION OF 1989 BONDS. The 1989 Bonds shall be issued in fully registered form without coupons; shall be dated as determined by subsequent resolution of the Division of Bond Finance; shall be numbered consecutively from one (1) 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 semiannually each July 1 and

January 1; and shall mature on July 1 of each year in such years and amounts as shall be determined by subsequent resolution adopted by the Division on or prior to the sale of the Bonds.

The 1989 Bonds may be sold at one time or in Series from time to time as the Division may determine by resolution. If issued in Series, each Series shall be dated and have an identifying letter. All of such 1989 Bonds, when issued, will rank equally as to source and security for payment and in all other respects with all then outstanding Bonds of any Series.

Interest shall be paid on January 1 and on July 1 to the Registered Owner whose name appears on the books of the Bond Registrar/Paying Agent as of 5:00 p.m. (local time, Tallahassee, Florida) on the Record Date next preceding such interest payment date.

Section 2.03. 1989 BONDS MAY BE ISSUED AS SERIAL BONDS OR TERM BONDS. The 1989 Bonds may be issued as Serial Bonds, Term Bonds, or a combination of both, as shall be determined by resolution of the Division of Bond Finance adopted prior to sale of the Bonds.

Section 2.04. PRIOR REDEMPTION OF THE 1989 BONDS. The Bonds of each Series may be made redeemable in such manner and upon such terms and conditions as are determined pursuant to the resolution authorizing such Bonds.

Unless waived by any Holder 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 fixed for redemption, to the Holder of the Bonds to be redeemed of record on the books kept by the Bond Registrar/Paying Agent as of forty-five days prior to the date fixed for 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 so to give any such notice by mailing to any Bond Holder, 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 Holder of such Bond receives such notice.

The Bond Registrar/Paying Agent shall not be required (a) to issue, transfer or exchange any Bonds 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; or (b) to transfer or exchange any Bonds selected, called or being called for redemption in whole or in part.

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 published and mailed and moneys for payment of the redemption price being held in separate accounts by an escrow agent, the State Board, or the Bond Registrar/Paying Agent, in trust for the Holders of the Bonds or portions thereof to be redeemed, all as provided in this Resolution or the applicable authorizing 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 entitled to any lien, benefit or security under this Resolution or the applicable authorizing resolution, and the Holders of such Bonds or portions of Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof and, to the extent provided in the final paragraph of this Section, to receive Bonds for any unredeemed portion of the Bonds. Any and all of the Bonds redeemed prior to maturity shall be duly canceled by the Bond Registrar/Paying Agent, and shall not be reissued.

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

(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 (35) 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, Pacific Securities Depository Trust Company, San Francisco, California 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, if such publication is impractical or unlikely to reach a substantial number of the Holders of the Bonds, 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 (30) days prior to the date fixed for redemption.

In case part but not all of an Outstanding Bond shall be selected for redemption, the Holder 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 Bond Holder, 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 1989 BONDS. The 1989 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 member of the Board of Regents as may be designated by subsequent resolution of the Governing Board of the Division of Bond Finance, and the corporate seal of the Board of Regents or a facsimile thereof shall be affixed thereto or reproduced thereon. The bond registrar's certificate of authentication shall appear on the 1989 Bonds, signed by an authorized signatory of said bond registrar. Any of the signatures required hereinabove may be a facsimile signature imprinted or reproduced on the 1989 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 1989 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 1989 Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such 1989 Bonds had not ceased to hold such office. Any 1989 Bond may be signed and sealed on behalf of the Board of Regents by such person as at the actual time of the execution of such 1989 Bond shall hold the proper office, although at the date of such 1989 Bond, such person may not have held such office or may not have been so authorized.

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

A certificate as to the approval of the issuance of the 1989 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 1989 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 holder and each successive holder of any of the 1989 Bonds shall be conclusively deemed by his acceptance thereof to have agreed that the 1989 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. The 1989 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 the Registrar, Paying Agent and Transfer Agreement, dated October 1, 1988 as amended, or successor agreement, between Citibank, N.A., and the Board of Administration.

Upon surrender to the Bond Registrar/Paying Agent for transfer or exchange of any 1989 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 1989 Bond of authorized denomination of the same maturity for the aggregate principal amount which the Registered Owner is entitled to receive.

A11 1989 Bonds presented for transfer, exchange, redemption or payment (if so required by the Division of Bond Finance or the Bond Registrar/Paying Agent) shal1 be accompanied 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 1989 Bonds. However, the Division of Bond Finance and the Bond Registrar/Paying Agent may require payment from the 1989 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 1989 Bond shall be delivered.

New 1989 Bonds delivered upon any transfer or exchange shall be valid obligations of the Board of Regents evidencing the same debt as the 1989 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 1989 Bonds surrendered.

The Board of Regents and the Bond Registrar/Paying Agent may treat the Registered Owner of any 1989 Bond as the absolute owner thereof for all purposes, whether or not such 1989 Bond shall be overdue, and shall not be bound by any notice to the contrary. The person in whose name any 1989 Bond is registered may be deemed the owner thereof by the Board of Regents and the Bond Registrar/Paying Agent, and any notice to the contrary shall not be binding upon the Division or the Bond Registrar/Paying Agent.

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 1989 Bonds in order to comply with all applicable laws, rules, and regulations of the United States Government and the State of Florida relating thereto.

Section 2.08. AUTHENTICATION. No 1989 Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Resolution or the 1989 Resolution unless and until a certificate of authentication on such 1989 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 1989 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 1989 Bonds issued hereinafter.

Section 2.09. DISPOSITION OF 1989 BONDS PAID OR EXCHANGED. Whenever any 1989 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 1989 Bonds shall either be canceled and retained by the Bond Registrar/Paying Agent for a period of time specified in writing by the Division of Bond Finance and the State Board of Administration, or, at the option of the Division of Bond Finance and the State Board of Administration, shall be canceled and destroyed by the Bond Registrar/Paying Agent and counterparts of a certificate of destruction evidencing such destruction shall be furnished to the Division of Bond Finance.

Section 2.10. 1989 BONDS MUTILATED, DESTROYED, STOLEN OR LOST. In case any 1989 Bond shall become mutilated, or be destroyed, stolen or lost, the Division of Bond Finance may in its discretion issue and deliver a new 1989 Bond of like tenor as the 1989 Bond so mutilated, destroyed, stolen, or lost, in exchange and substitution for such mutilated 1989 Bond, upon surrender and cancellation of such mutilated 1989 Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the holder 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 1989 Bonds so surrendered shall be canceled by the Board of Regents or the Registrar, as its agent. If any such 1989 Bond shall have matured or be about to mature, instead of issuing a substitute l989 Bond, the Division of Bond Finance may pay the same, upon being indemnified as aforesaid, and if such 1989 Bond be lost, stolen or destroyed, without surrender thereof.

Any such duplicate 1989 Bond issued pursuant to this Section shall constitute original, additional, contractual obligations on the part of the Board of Regents, whether or not the lost, stolen or destroyed 1989 Bond be at any time found by anyone and such duplicate 1989 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 1989 BONDS. The text of the 1989 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:

REGISTERED NUMBER
R - _____

UNITED STATES OF AMERICA

STATE OF FLORIDA
BOARD OF REGENTS
UNIVERSITY OF FLORIDA
HOUSING REVENUE BONDS, SERIES 1989

MATURITY DATE	_____
INTEREST RATE	_____
DATED DATE	_____
REGISTERED OWNER	_____
PRINCIPAL AMOUNT	_____ DOLLARS

KNOW ALL MEN BY THESE PRESENTS that the Board of Regents of the Division of Universities of the Department of Education of the State of Florida, a public body corporate (hereinafter referred to as "Board of Regents"), for value received, hereby promises to pay to _____, or registered assigns, from the special funds hereinafter described, on the 1st day of _____, unless redeemed prior thereto as hereinafter provided, upon the presentation and surrender hereof at the principal office of, as Paying Agent, _____ Dollars ($_____), and to pay to the registered owner hereof, solely from such special funds, by check or draft mailed (or transferred by a mode at least as rapid as mailing) to such registered owner at his address as it appears, at 5:00 p.m. (local time, Tallahassee, Florida) on the Record Date, on the registration books of the Board of Regents kept by the Bond Registrar under the Resolution hereinafter referred to, interest on such principal sum from the date hereof at the rate of _____ percent (_____ %) per annum until the payment of said principal sum, such interest being payable on the first day of January and the first day of July in each year, commencing _____, 1989. The Record Date for the January 1 payment is December 15, and the Record Date for the July 1 payment is June 15. The principal of this Certificate is payable in lawful money of the United States of America.

This Bond is one of an authorized issue of Bonds in the aggregate principal amount of Seven Million Five Hundred Thousand Dollars ($7,500,000) issued for the purpose of financing part of the cost of the construction of the 1989 Project, as defined in the Resolution, at the University of Florida, and purposes necessary therefor or appurtenant thereto (hereinafter referred to as "1989 Project"), to be operated and maintained by the University of Florida, under the authority of and in full compliance with the Constitution and Statutes of the State of Florida, including particularly Sections 215.57-215.83, Florida Statutes, and Chapters 240 and 243, Florida Statutes, and other applicable provisions of law, and a Resolution duly adopted by the Governor and Cabinet of the State of Florida, as the Governing Board of the Division of Bond Finance, on the _____ day of _____, 198__ (herein referred to as "Resolution"), and is subject to all the terms and conditions of said Resolution.

(Insert redemption provisions)

This Bond is secured by a lien upon and is payable solely from the net revenues of the University of Florida Housing System, after providing for Current Expenses and the Prior Lien Obligations. The lien of the 1989 Bonds is junior and subordinate to the lien of the University of Florida Housing Revenue Certificates, Series A through F, to the lien of the Division of Bond Finance University of Florida Housing System Revenue Bonds, Series of 1974, and to the lien of the University of Florida Housing Revenue Certificates, Series 1984, upon the Pledged Revenues.

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

This Bond has all the qualities and incidents of negotiable instruments under the Uniform Commercial Code - Investment Securities Law of the State of Florida. The original holder and each successive holder of this Bond shall be conclusively deemed by his acceptance hereof to have agreed that this Bond shall be and have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code - Investment Securities Law of the State of Florida.

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

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

IN WITNESS WHEREOF, the Division of Bond Finance has issued this Bond on behalf of the Board of Regents and has caused the same to be signed by the Chairman of the Board of Regents or to be executed with his facsimile signature, and the corporate seal of the Board of Regents to be affixed hereto or imprinted hereon, attested by the Vice-Chairman of the Board of Regents with his manual or facsimile signature, all as of the first (1st) day of _____, 1989.

STATE BOARD OF REGENTS

ATTEST: _____ _____
Vice-Chairman Chairman

APPROVAL CERTIFICATE OF THE DIVISION OF BOND FINANCE

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

DIVISION OF BOND FINANCE OF THE
STATE OF FLORIDA DEPARTMENT OF
GENERAL SERVICES

BY: _____
GERALD LEWIS, Comptroller of the State of Florida as Secretary of the Governing Board of the Division of Bond Finance of the State of Florida Department of General Services

CERTIFICATE OF VALIDATION

This Bond is one of a Series of Bonds which was validated and confirmed by Judgment of the Circuit Court of the Second Judicial Circuit in and for Leon County, Florida, rendered on _____, 1989.

_____
Governor, as Chairman of the Division of Bond Finance of the State of Florida

ASSIGNMENT

For value received the undersigned sells, assigns and transfers unto

_____

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

_____

the within Bond of the State of Florida Board of Regents and hereby irrevocably constitutes and appoints

_____, attorney to transfer the said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated _____
Witness:
_____

ARTICLE III
APPLICATION OF PROCEEDS

Section 3.01. CONSTRUCTION OF THE PROJECT. The Board of Regents is authorized to acquire and construct the 1989 Project from the proceeds of the sale of the Bonds and other legally available funds, subject to the provisions of this Resolution and the applicable laws of Florida.

Section 3.02. APPLICATION OF BOND PROCEEDS. (A) Upon receipt of the proceeds of the sale of the l989 Bonds the Board of Regents shall transfer and apply such proceeds as follows:

(l) The amount agreed upon by the Board of Regents and the Division of Bond Finance as being necessary to pay all costs and expenses of the Division of Bond Finance in connection with the preparation, validation, issuance, and sale of the 1989 Bonds, including a reasonable service charge of the Division of Bond Finance for its fiscal services, shall be transferred to the Division of Bond Finance and deposited in the Bond Fee Trust Fund.

(2) An amount of money shall be deposited to the credit of the sub-account in the Debt Service Reserve Account established for such Series of Bonds in the aggregate amount necessary to make the amount to the credit of such sub-account equal to the Debt Service Reserve Requirement for such sub-account. The Debt Service Reserve Account need not be fully funded at the time of issuance of such Series of Bonds if the Division elects by Resolution adopted prior to issuance of such Series of Bonds, subject to the limits described below, to fully fund the applicable sub-account in the Debt Service Reserve Account over a period specified in such resolution not to exceed sixty (60) months from the date of issue, during which it shall make substantially equal monthly installments in order that the amounts on deposit therein at the end of such period shall equal the Debt Service Reserve Requirement for such sub-account. The Debt Service Reserve Account subaccount for any Series of Bonds may be funded wholly or partially at any time by a Reserve Account Credit Facility in an amount which, together with sums on deposit, is equal to the Debt Service Reserve Requirement for such Series of Bonds. Such Reserve Account Credit Facility as provided above must provide for payment on any interest payment date or principal payment date on which a deficiency exists in moneys held hereunder for a payment with respect to the Bonds which cannot be cured by funds in any other account held pursuant to this resolution and available for such purpose, and which shall name the Bond Registrar/Paying Agent or the Board of Regents for the benefit of the Bondholders as the beneficiary thereof. In no event shall the use of such Reserve Account Credit Facility be permitted if it would cause an impairment in any existing rating on the Bonds or any Series thereof. If the applicable sub-account in the Debt Service Reserve Account is to be funded in installments, upon the issuance of any additional parity Bonds, the deposits required pursuant to the foregoing may be limited to the amount which will be sufficient to pay the required monthly installments specified in such resolution, plus an additional amount necessary

to make up any deficiencies caused by withdrawals or resulting from the semiannual valuation of the funds on deposit therein. If a disbursement is made from a Reserve Account Credit Facility, the Board of Regents shall be obligated to either reinstate the maximum limits of such Reserve Account Credit Facility immediately following such disbursement or to deposit funds into the applicable sub-account in the Debt Service Reserve Account in the amount and manner provided under Section 5.01(B) of this Resolution.

(3) 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 1989 Bonds.

(4) After making the transfers provided for in subsections (l), (2) and (3) above, the balance of the proceeds of the 1989 Bonds shall be transferred to and deposited in the 1989 Project Construction Trust Fund (hereinafter referred to as "Construction Trust Fund"), which is hereby created in the State Treasury.

Any unexpended balance remaining in the 1989 Construction Fund, after a consulting architect shall certify that the 1989 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 1989 Bonds, the Board of Regents covenants that it will deposit in the 1989 Construction Fund additional funds legally available for such purpose which, together with the proceeds of the 1989 Bonds, will be sufficient to finance the total 1989 Project Costs. Any such additional funds, other than the proceeds of the 1989 Bonds, shall be derived from sources and in a manner which will not jeopardize the security of the Bonds issued pursuant to this Resolution. Such additional funds, if any are required, shall be deposited in the 1989 Construction Fund by the Board of Regents on its own initiative, and in any event promptly upon the request of the original purchaser of the 1989 Bonds or of any other Bonds issued pursuant to this Resolution; provided, however, that this provision shall not be deemed to obligate the Board of Regents to deposit any moneys in said 1989 construction Fund except funds legally available for such purpose.

A11 moneys in said 1989 Construction Fund, or in any other construction fund hereafter created for any project hereafter financed in whole or in part from the proceeds of pari-passu additional Bonds as provided herein, shall constitute a trust fund for such purposes and there is hereby created a lien upon such funds in favor of the holders of Bonds issued pursuant to this Resolution, until such funds are applied as provided herein, and all moneys in such funds shall be continuously secured in the manner now provided by the laws of Florida for securing deposits of state funds.

Section 3.03. INVESTMENT OF CONSTRUCTION TRUST FUND. Any moneys in the 1989 Construction Trust Fund not immediately needed for the purposes provided in this Resolution, may be temporarily invested and reinvested as provided in Section 215.47, Florida Statutes.

Section 3.04. BOND HOLDERS NOT AFFECTED BY APPLICATION OF BOND PROCEEDS. The Bond Holders shall not have any responsibility whatsoever for the application or use of any of the proceeds derived from the sale of the 1989 Bonds, and the rights and remedies of the Bond Holders and their right to payment from the Pledged Revenues provided in this Resolution, shall not be affected or impaired by the application or use of such proceeds. Upon the issuance of the 1989 Bonds, all the covenants and agreements contained in this Resolution shall be valid and binding covenants and agreements, which may be enforced by the Bond Holders against the Board of Regents, without regard to the application of the proceeds of the 1989 Bonds.

Section 3.05 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 Holders 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 dated and delivered on the date of original issuance and delivery of the Bonds. Specifically, without intending to limit in any way the generality of the foregoing, the Division of Bond Finance, the Board of Regents and the Board of Administration covenant and agree:

(1) to pay or cause to be paid by the Board of Administration to the United States of America from the Pledged Revenues or 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 calculations 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 the Bonds or any portion of them, 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 the Bonds, or any of them to become arbitrage bonds under Section 148 of the Code.

The Division of Bond Finance, the Board of Regents 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 Board of Regents covenants and agrees that it shall maintain and retain all records pertaining to calculations of the Rebate Amount for each series of Bonds issued hereunder and it agrees to provide such records to the Division of Bond Finance upon request for the purpose of making or having made all determinations and calculations of the Rebate Amount.

(C) The Division of Bond Finance covenants and agrees that it will make or have made all determinations and calculations of the Rebate Amount for each series of Bonds issued hereunder for each Rebate Year within sixty (60) days after the end of such Rebate Year and within thirty (30) days after the final maturity of each such series of Bonds. On or before the expiration of each such sixty (60) day period, the Division shall direct the Board of Administration to deposit into the Rebate Account which is hereby created and established in the Sinking Fund, 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 Account 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 Division of Bond Finance, which payments shall be made in installments, commencing not more than thirty (30) days after the end of the fifth Rebate Year and with subsequent payments to be made not later than five (5) years after the preceding payment was due except that the final payment shall be made within thirty (30) 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 may rely upon any instructions or opinions from a nationally recognized Bond Counsel.

Notwithstanding anything in this Resolution to the contrary, to the extent moneys on deposit in the Rebate Account 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 are insufficient to pay the Rebate Amount, then from moneys on deposit in any of the funds and accounts created hereunder.

If any amounts shall remain in the Rebate Account 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 Account shall be held separate and apart from all other funds and accounts and shall be subject to a lien in favor of the Bond Holders, but only to secure payment of the Rebate Amount, and the moneys in the Rebate Account shall be available for use only as herein provided.

The Division of Bond Finance, the Board of Regents and the Board of Administration shall not be required to continue to comply with the requirements of this section in the event that the Division of Bond Finance receives an opinion of nationally recognized Bond Counsel that (i) 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 (ii) compliance with some other requirement will comply with the provisions of the Code in respect of arbitrage rebate.

Notwithstanding any of the above, the Board of Regent's responsibilities and duties pursuant to paragraphs (A)(1), (2), or (B) of this section may be assumed in whole or in part by the Division of Bond Finance or another entity as provided by law, administrative rule, or resolution of the Division of Bond Finance.

ARTICLE IV
APPLICATION AND ADMINISTRATION OF PLEDGED REVENUES

Section 4.01. BONDS SECURED BY PLEDGED REVENUES. (A) The payment of the Bonds and all interest charges, and debt service thereon shall be secured forthwith equally and ratably by a valid and enforceable lien on the Pledged Revenues as provided for in this Resolution and to be received under this Resolution, and such Pledged Revenues 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 of Florida, or any political subdivision thereof or any instrumentality thereof, but shall be payable solely from the Pledged Revenues, as provided herein. No Holder or Holders of the Bonds shall ever have the right to compel the exercise of the taxing power of the State of Florida, 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. FEES, RENTALS OR OTHER CHARGES. The Board of Regents covenants that it will fix, establish and collect such fees, rentals or other charges 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 Housing System, and revise the same from time to time whenever necessary, as will always provide revenues sufficient to pay all Current Expenses, as defined herein, and other costs of operating and maintaining the Housing System and, to make or provide for payments required from said Pledged Revenues in connection with the Prior Lien Obligations, and the Bonds, as the same become due, to build up in the Sinking Fund the debt service reserve and to make all other payments provided for in this Resolution, and that such fees, rentals or other charges shall not be reduced so as to be insufficient to provide adequate revenues for such purposes.

Whenever in any year the amounts of 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 mandatory 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 4.03. HOUSING SYSTEM REVENUE FUND. The entire Gross Revenues, as defined herein, derived from the operation of the Housing System, shall be deposited by the Board of Regents with the State Treasurer of Florida in a trust fund known as the "University of Florida Housing System Revenue Fund" (hereinafter referred to as "Revenue Fund") which fund was created by the 1959 Resolution. 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 Board of Regents and used only for the purposes and in the manner provided in the 1959 Resolution, the 1974 Resolution, the 1984 Resolution, and this Resolution.

Section 4.04. 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 of Florida for the securing of deposits of State funds. The Bond Holders shall have a lien on moneys in the Sinking 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 4.05. FISCAL AGENT. Upon sale and delivery of the Bonds by the Division of Bond Finance on behalf of the Board of Regents, the State Board of Administration shall act as the fiscal agent for the Board of Regents.

ARTICLE V
DISPOSITION OF REVENUES

Section 5.01. DISPOSITION OF REVENUES. All revenues on deposit at any time in the Revenue Fund shall be applied only in the following manner and order of priority:

(A) (1) Revenues will first be used for payment of all Current Expenses of the Housing System, as required by the 1959 and 1984 Resolutions.

(2) After providing for current expenses, revenues shall next be used to make the required deposits to the sinking fund, including debt service reserve accounts, and Housing System Building Maintenance and Equipment Reserve Fund, and other required deposits, for the Prior Lien Obligations, in accordance with the 1959 Resolution, the 1974 Resolution and the 1984 Resolution.

(B) All revenues remaining in the Revenue Fund after satisfying subsection (A) above shall first be deposited with the Board of Administration in the "1989 Housing System Bond Interest and Sinking Fund" (hereinafter "Sinking Fund"), which is hereby created, until there is accumulated in said Sinking Fund an amount sufficient to pay in the following order:

(1) the next installments of principal and interest to become due on the 1989 Bonds and any additional parity Bonds during the then current year, including Amortization Installments for any Term Bonds which funds shall be deposited into the Bond Amortization Account which is hereby created; and

(2) amounts, as a debt service reserve, in each subaccount within the Sinking Fund, which shall be equal to the Reserve Requirement on all Bonds secured by such subaccount outstanding or sufficient to satisfy the installment required by Section 3.02 if the Reserve Account is to be funded over a 60 month period. This paragraph (2) shall not apply to that portion of the subaccount of the Reserve Account established for any Series of Bonds for which a Reserve Account Credit Facility has been provided pursuant to paragraph 3.02(A)(2) hereof.

In the event funds on deposit in the Sinking Fund are not sufficient to pay in full the principal and/or interest next coming due on the Bonds, then on or before June 15 and December 15 such amounts as may be necessary to pay such maturing principal and/or interest on the Bonds then outstanding, shall be transferred to the Sinking Fund from the appropriate subaccount of the Reserve Account.

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

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

(C) (1) As soon as the required balances have been accumulated in each fiscal year in the Sinking Fund, including the Reserve Account, and deficiencies have been restored for prior payments, moneys remaining in the Revenue Fund shall be transferred to the Housing System Building Maintenance and Equipment Reserve Fund established by the 1959 Resolution, as hereinafter provided:

(a) The amount required to be deposited in the Housing System Building Maintenance and Equipment Reserve Fund for each Series of Bonds issued pursuant to this Resolution shall be an amount which bears the same ratio to the existing total balance required to be maintained in the Housing System Building Maintenance and Equipment Reserve Fund by the resolutions authorizing the 1959 Bonds, the 1984 Bonds, and each Series of Bonds theretofore issued, plus the amount required to be deposited for the proposed Series of Bonds, as (i) the estimated book value of the housing facilities to be financed by such new Series of Bonds bears to (ii) the then-present book value of the housing facilities comprising said Housing System at the time such Series of Bonds is issued plus the estimated book value of the housing facilities to be financed by such new Series of Bonds. For the purposes of this paragraph (C)(1), "housing facilities" shall not include remodeling, renovation or repair of existing facilities. The formula demonstrating this requirement is:

$$\frac{\text{New Series Requirement}}{\text{Requirement + New Series Req.}} \text{ Existing } = \frac{\text{Estimated Book Value New Project}}{\text{B.V. Current Sys. + Est. B.V. New Proj.}}$$

(b) Deposits to the Building Maintenance and Equipment Reserve Fund for each Series of Bonds may be made periodically, but shall be made at least once each Fiscal Year until the total amount required by subparagraph 5.01(C)(1)(a) has been deposited, and until any moneys drawn from such fund have been replenished. Such periodic deposits shall, at a yearly minimum, be equal to ten percent of the total amount required to be deposited pursuant to subparagraph 5.01(C)(1)(a).

(c) The book value of the housing facilities comprising the Housing System and of the housing facilities to be financed by such new Series of Bonds shall be determined by a certificate to be filed with the Secretary of the Board of Regents by an appropriate financial officer of the University of Florida, which certificate shall also be approved in writing by an independent certified public accountant.

(2) Deposits to the Building Maintenance and Equipment Reserve Fund pursuant to this subsection 5.01(C) shall be in addition to those required by the 1959 Resolution and the 1984 Resolution, as amended (which amounts shall be deposited at the times and in the priority required by such resolutions). Nothing herein shall restrict the University from funding the Housing System Building Maintenance and Equipment Reserve Fund in an amount greater than that required by this subsection 5.01(C).

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

(4) In the event the moneys in the Sinking Fund and Reserve Account therein on any June 15 or December 15 shall be insufficient to pay the next maturing installment of principal or interest on the Bonds, then moneys in said Building Maintenance and Equipment Reserve Fund in excess of the amount required by the 1959 Resolution and the 1984 Resolution as amended, shall be transferred to the Sinking Fund to the extent necessary to eliminate such deficiencies and to avoid a default.

(D) All revenues remaining in the Revenue Fund at the close of each Fiscal Year, after all payments or balances required in (A), (B) and (C) above have been made or maintained, may be used by the Board of Regents, in its discretion, for any expenditures, including the payment of debt service, improving or restoring any existing housing and dining facilities or providing any such additional facilities, or to redeem the then outstanding Prior Lien Obligations or Bonds.

(E) 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.

(F) The Revenue Fund and the Building Maintenance and Equipment Reserve Fund created by the 1959 Resolution, and the Sinking Fund and the Reserve Account created herein, 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 of Florida.

Section 5.02. INVESTMENT OF REVENUES. 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, such obligations and the income therefrom shall be held for and the proceeds thereof on resale shall be 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 VI
ADDITIONAL PARITY BONDS AND REFUNDING REQUIREMENTS

Section 6.01. ISSUANCE OF ADDITIONAL PARITY BONDS. The Division of Bond Finance is authorized to issue additional parity bonds after the issuance of the 1989 Bonds authorized by this Resolution, 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 improvements to the Housing System.

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

(C) The Board of Regents shall certify favorably as to the advisability of the issuance of such additional parity bonds.

(D) The Board of Administration, after it determines that there will be sufficient available funds from the Pledged Revenues to pay debt service on the Prior Lien Bonds, the Bonds and, any additional parity bonds theretofore issued and outstanding, and the additional parity bonds proposed to be issued, without jeopardy to such outstanding Bonds, shall approve the fiscal sufficiency of such additional parity bonds.

(E) Certificates shall be prepared and executed by the Board of Regents 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 (i) the Prior Lien Bonds and Bonds then outstanding (ii) any previously issued and outstanding parity bonds and (iii) the additional parity bonds then proposed to be issued.

(F) (1) 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 the 1959 Resolution, the 1974 Resolution, the 1984 Resolution and of the Resolution and the Board of Regents must be currently in compliance with the covenants and provisions of the 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 pursuant to Section 6.01(E)(1), will be at least equal to one hundred twenty-five percent (125%) of the Maximum Annual Debt Service on (i) the Bonds originally issued pursuant to the Resolution and then Outstanding, (ii) any additional parity Bonds theretofore issued and then Outstanding, and (iii) the additional parity Bonds then proposed to be issued;

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

(a) If the Board of Regents, prior to the issuance of the proposed additional parity Bonds, shall have increased the rates, fees, rentals or other charges for the services of the Housing 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 Housing System as if such increased rates, fees, rentals or other charges for the services of the Housing System had been in effect during all of such two preceding Fiscal Years.

(b) If the Board of Regents shall have acquired or has contracted to acquire any privately or publicly owned existing housing facility, then the average amount of Pledged Revenues derived from the Housing System during the two immediately preceding Fiscal Years prior to the issuance of said additional parity Bonds as certified by the Board of Regents, shall be increased by adding to the Pledged Revenues for said two preceding Fiscal Years the net revenues which would have been derived from said existing housing facility so acquired as if such existing housing facility had been a part of the Housing System during such two Fiscal Years. For the purposes of this paragraph, the net revenues derived from said existing housing 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 housing facility from the gross revenues of said housing facility in the same manner provided in the Resolution for the determination of Pledged Revenues.

(c) Should the Board of Regents be constructing or acquiring additions, extensions or improvements to the Housing System from the proceeds of such additional parity Bonds or from sources other than additional parity Bonds and if the Board of Regents 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 (12) 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 had been in effect during all of such two Fiscal Years.

Section 6.02. REFUNDING BONDS. (A) All of the 1989 Bonds, together with any additional parity bonds theretofore issued and then outstanding, or any portion of such outstanding Bonds, may be refunded and the lien of the refunded Bonds preserved for the refunding Bonds.

(B) In the event the Bonds or any additional parity bonds theretofore issued are refunded, then the holders of the refunding Bonds shall have and enjoy the same lien on the Pledged Revenues and all rights, privileges and remedies which are granted to and vested in the Holders of the Bonds so refunded pursuant to this Resolution, or any resolution supplemental hereto, to the same extent and as fully as if such refunding Bonds constituted the Bonds so refunded. All of the covenants, agreements and provisions in this Resolution relating to the Bonds shall refer to and apply fully to such refunding Bonds issued in compliance with this Section 6.02.

Section 6.03. ISSUANCE OF OTHER OBLIGATIONS OR CREATION OF ENCUMBRANCES. The Division of Bond Finance covenants that it will not issue any other obligations, except obligations issued to refund Prior Lien Obligations, additional parity Bonds provided for in Section 6.01 hereof, or refunding Bonds provided for in Section 6.02 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 issued pursuant to this Resolution, 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 authorized by this Resolution and such additional parity bonds and parity refunding bonds provided for in Section 6.01 and 6.02 hereof, shall contain an express statement that such obligations are junior and subordinate to the Prior Lien Obligations and the Bonds issued pursuant to this 1989 Resolution, and any additional parity bonds theretofore or thereafter issued, as to lien on and source and security for payment from such Pledged Revenues.

The Board of Regents specifically covenants that it will not hereafter issue any obligations (excluding refunding obligations) pursuant to the proceedings which authorized the Prior Lien Obligations which will rank on a parity with or senior to the Prior Lien Obligations.

ARTICLE VII
COVENANTS

Section 7.01. PLEDGE OF PLEDGED REVENUES. The Board of Regents hereby covenants and agrees with the holders of the 1989 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 in the manner provided in this 1989 Resolution and the holders of the Bonds shall have a valid and enforceable lien on such Pledged Revenues in the manner provided herein.

Section 7.02. PLEDGED REVENUES COVENANTS. The Board of Regents covenants:

(A) That it will punctually pay the Pledged Revenues provided for in Section 7.01 of this Resolution in the manner and at the times provided in this Resolution and that it will duly and punctually perform and carry out all the covenants of the Board of Regents made herein and the duties imposed upon the Board of Regents by this Resolution.

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

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

(D) To continue to collect the rentals charged all regularly enrolled students and other tenants in the Housing System.

ARTICLE VIII
REMEDIES

Section 8.01. ENFORCEABILITY BY BOND HOLDERS. (A) The Division of Bond Finance hereby irrevocably agrees that this Resolution, including the pledge of the Pledged Revenues, shall be deemed to have been made for the benefit of the holders from time to time of the 1989 Bonds, as defined herein, and that such pledge and all the provisions of this Resolution shall be enforceable in any court of competent jurisdiction by any holder or holders of such Bonds, against either the Board of Regents or the Board of Administration or any other agency of the State of Florida, or instrumentality thereof having any duties concerning the 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 holder or holders of the 1989 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 of Florida.

(B) Any holders of the 1989 Bonds, or any trustee acting for the holders of such 1989 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 of Florida, 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 holder of the Bonds any lien on the 1989 Project or any other facility of the University, or the Board of Regents, or the Division of Bond Finance.

ARTICLE IX
MISCELLANEOUS

Section 9.01. RESOLUTION NOT ASSIGNABLE. This Resolution shall not be assignable by the Division of Bond Finance or the State Board of Administration, except for the benefit of the Bond holders; provided, however, the Board of Regents may lease, from time to time, to other tenants such portion or portions of the Housing System as are not needed by the Board of Regents, to the extent that any such lease would not be inconsistent with the terms of the Loan Agreement executed in connection with the 1984 Bonds provided that no such lease shall be permitted which would adversely affect the exclusion from gross income of interest on the Bonds.

Section 9.02 AMENDMENT OR MODIFICATION OF RESOLUTION. Except as otherwise provided in the second and third paragraph hereof, no material modification or amendment of the Resolution, or of any resolution amendatory thereof or supplemental thereto, may be made without the consent in writing of (i) the Holders 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 Holders of more than fifty percent in principal amount of the Bonds of each Series 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 of and principal on the Bonds, or reduce the percentage of Holders of Bonds required above for such modification or amendments, without the consent of the Holders of all the Bonds.

For purposes of this Section, to the extent any Series of Bonds is insured by a Bond Insurance Policy, then the consent of the issuer of the Bond Insurance Policy shall constitute the consent of the Holders of such Series.

The Resolution may be amended, changed, modified and altered without the consent of the Holders of Bonds, (i) to cure any ambiguity, correct or supplement any provision contained herein which may be defective or inconsistent with any other provisions contained herein, (ii) 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, (iii) to obtain credit enhancements or a rating in one of the higher rating categories of Moody's Investors Service or Standard and Poor's Corporation, (iv) to add to the covenants and agreements of the Division or the Board of Regents in the Resolution, other covenants and agreements to be observed by the Division or the Board of Regents which are not contrary to or inconsistent with the Resolution as theretofore in effect, (v) to add to the limitations and restrictions in the Resolution, other limitations and restrictions to be observed by the Division or the Board of Regents which are not contrary to or inconsistent with the Resolution as theretofore in effect, (vi) 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, (vii) to enable the Division and the Board of Regents to comply with their covenants, agreements and obligations under Section 3.05 hereof and (viii) to make any amendment, change, modification or alteration that does not materially adversely affect the interests of the Bond Holders.

Section 9.03. 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 9.04. BONDS NOT STATE OBLIGATION. Notwithstanding any of the other provisions of this Resolution, the Bonds are not an obligation, directly or indirectly, of the State of Florida and no holder of the Bonds shall have the right to compel or require any appropriation by the Legislature of Florida for payment of the Pledged Revenues due under this Resolution, or for the payment of the principal of or interest on the Bonds, or the making of any other payments provided for in this Resolution from State tax revenues.

The Bonds shall be "revenue bonds", within the meaning of Section ll(d) of Article VII of the Florida Constitution, and shall be payable solely from funds derived directly from sources other than State tax revenues.

Section 9.05. 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 owner or Holder thereof, all liability of the Board of Regents to the owner or Holder 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 owner or Holder of such Bond, 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 Holders of such Bonds for seven years after the principal 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 9.06. DEFEASANCE. (A) If, at any time, the Board of Regents shall have paid, or shall have made provision for payment of, the principal, interest, and redemption premiums, if any, with respect to the 1989 Bonds or any portion thereof, then, and in that event, the pledge of and lien on the funds pledged in favor of the holders of such 1989 Bonds shall be no longer in effect. For purposes of the preceding sentence, deposit of sufficient cash and/or Federal Securities (i.e., direct obligations of the United States Government) in irrevocable trust with a banking institution, trust company, or the State Board of Administration for the sole benefit of the Bond Holders in an aggregate principal amount which, together with interest to accrue thereon, will be sufficient to make timely payment of the principal, interest, and redemption premiums, if any, on such l989 Bonds, shall be considered "provision for payment".

If any portion of the moneys or securities 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 may use the amount of such excess for any lawful purpose free and clear of any trust, lien, security interest, pledge or assignment securing said Bonds or otherwise existing under this Resolution.

(B) Nothing herein shall be deemed to require the Board of Regents or Division of Bond Finance to call any of the 1989 Bonds for redemption prior to maturity pursuant to any applicable optional redemption provisions, or to impair thc discretion of the Board of Regents or Division of Bond Finance in determining whether to exercise any such option for early redemption.

(C) The Board of Regents is authorized to refund all or a portion of the 1989 Bonds pursuant to the provisions of Section 215.79, Florida Statutes.

Section 9.07. INSURANCE. The Board of Regents will carry such insurance as is required by the State or is ordinarily and customarily carried on similar systems as the Housing 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. Notwithstanding the foregoing, this does not excuse the Board of Regents from the insurance obligations imposed by the Prior Lien Obligations.

Section 9.08. VALIDATION AUTHORIZED. The attorneys for the Division of Bond Finance are hereby authorized to institute proceedings to validate the 1989 Bonds, pursuant to Chapter 75, Florida Statutes.

Section 9.09. 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 9.10. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

ADOPTED on January 10, 1989, as amended and restated on **April 25, 1989**, and as amended on **June 13, 1989**, **October 20, 1992** and **May 11, 1993** and as restated on **June 13, 2000**.

(B) That all previously granted authority to issue State of Florida, University of Florida Housing Revenue Bonds is hereby canceled, except for the authority to issue not exceeding $32,000,000 State of Florida, University of Florida Housing Revenue Bonds, Series 2000, which was granted on February 22, 2000.

ADOPTED ON June 13, 2000.

APPENDIX C

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

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

September 20, 2011

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF STATE OF FLORIDA, BOARD OF GOVERNORS, UNIVERSITY OF FLORIDA DORMITORY REVENUE REFUNDING BONDS, SERIES (TO BE DETERMINED), REFUNDING ALL OR A PORTION OF CERTAIN OUTSTANDING BONDS OF THE UNIVERSITY; 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, 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 this Resolution, as well as the Outstanding Bonds and the Refunding Bonds (as defined herein).

"1998 Bonds" means the $26,155,000 State of Florida, Board of Regents, University of Florida Housing Revenue Bonds, Series 1998.

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

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

"Board of Governors" or **"Board"** 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 selects another date on which to end a Bond Year in the manner permitted by the Code.

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

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

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

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

"Housing System" means those residence halls, apartments, or other living units at the University, the revenues of which are pledged to the Prior Lien Obligations and the Bonds, together with such additions thereto as shall be made from time to time. The Housing System consists of facilities known as Broward, Hume, Rawlings, Corry Village, Jennings, Graham, Trusler,

Simpson, East, Beaty Towers, University Village South, Fletcher, Sledd, Buckman, Thomas, Murphree, Tolbert, North, Riker, Weaver, Yulee, Mallory, Reid, Keys, Springs, Lakeside, Diamond Village and Tanglewood Apartments, and such additional facilities as at some future date may be added to the Housing System.

"Interest Payment Date" means, for the Refunding Bonds, January 1 and July 1 of each year.

"Maximum Annual Debt Service" means, 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" means the resolution adopted by the Governing Board on January 10, 1989 as amended and restated in its entirety on June 13, 2000, and as amended and supplemented through the date of this Resolution.

"Outstanding Bonds" means the Outstanding 1998 Bonds and the Outstanding State of Florida, Florida Education System, University of Florida Housing Revenue Refunding Bonds, Series 2005A.

"Principal Payment Date" means, for each Series of Bonds, the dates during each Fiscal Year on which the principal of the Outstanding Bonds of such Series is payable.

"Prior Lien Obligations" means the State of Florida, Board of Regents, University of Florida Housing Revenue Certificates, Series of 1984.

"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.

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

"Refunded Bonds" means all or a portion of the Outstanding 1998 Bonds to be refunded by the Refunding Bonds.

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

"Resolution" means this 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 Resolution is adopted pursuant to the provisions of Article VII, Section 11(d) of the Florida Constitution; Section 1010.62, Florida Statutes; Sections 215.57-215.83, Florida Statutes (the "State Bond Act"); and other applicable provisions of law; and pursuant to Section 5.01 of the Original Resolution, and is supplemental to said Original Resolution.

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

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

SECTION 2.01. AUTHORIZATION OF ISSUANCE AND SALE OF REFUNDING BONDS. (A) Subject and pursuant to the provisions of the Original Resolution, fully registered revenue bonds of the Board to be known as "State of Florida, Board of Governors, University of Florida Dormitory Revenue Refunding Bonds, Series (to be determined)" (or such other designation as may be determined by the Director), are hereby authorized to be issued and to be sold at competitive sale in an aggregate principal amount not exceeding $18,000,000 on a date and at the time to be set out or provided for in the Notice of Bond Sale to be published as provided in this Resolution. The Refunding Bonds shall be sold to refund the Refunded Bonds. The Refunding Bonds may be combined with, designated the same as, and sold with any other series of University of Florida Dormitory Revenue Bonds. The maturities or portions of maturities to be refunded shall be as determined by the Director to be in the best financial interest of the State. The redemption of the Refunded Bonds on or after their first call date is hereby authorized.

(B) The Director is hereby authorized to determine the most advantageous date and time of sale and to publish the Notice of Bond Sale of the Refunding Bonds, or an abbreviated version thereof, in *The Bond Buyer*, New York, New York, or another financial journal, such publication to be not less than 10 days prior to the date of sale; and to publish such Notice of Bond Sale in such other newspapers on such date as may be deemed appropriate by the Director; provided, that if no bids are received at the time and place called for in the Notice of Bond Sale, or if all bids received are rejected, such Refunding Bonds may again be offered for sale upon reasonable notice, the timing and manner of which shall be determined by the Director. Bids for the purchase of the Refunding Bonds will be received at the office of the Division or at another location designated in the Notice of Bond Sale, until the time and date of sale specified or provided for in the Notice of Bond Sale. Any prior publication of a Notice of Bond Sale, or abbreviated version thereof, is hereby ratified.

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

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

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

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

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

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

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

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

(K) The Refunding Bonds shall be dated, shall mature in such years and amounts and shall bear interest commencing on such date as set forth or provided for in the Notice of Bond Sale, a copy of which, as published, shall be retained in the files of the Division with this 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 5.01(B) of the Original Resolution. Amounts on deposit in the Reserve Account may be commingled with the amounts deposited for Bonds of additional Series which are secured thereby, shall be held for the benefit of the Registered Owners of only such Bonds as may be specifically secured by the Reserve Account, and shall be applied in the manner provided in the Original Resolution.

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

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

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

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

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

(Q) The Chairman, Secretary and any Assistant Secretary of the Governing Board, the Director, and such other officers and employees of the Division as may be designated by the Governing Board as agents of the Division in connection with the issuance and delivery of the Refunding Bonds, are authorized and empowered, collectively or individually, to take all actions and steps, to execute all instruments, documents, and contracts, and to take all other action on behalf of the Division, in each case as they may deem necessary or desirable, in connection with the execution and delivery of the Refunding Bonds, including but not limited to, contracting with a consultant to verify escrow calculations of the Refunding Bonds, retaining bond counsel to render a special tax opinion relating to the use of the proceeds from the sale of the Refunding Bonds, and providing for redemption of the Refunded Bonds. Notwithstanding anything contained in the Original 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 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 Original Resolution or this Resolution, or any other resolution relating to the Refunding Bonds(for purposes of this section, collectively, the "Resolution"), the Refunding Bonds may be issued in book-entry only form utilizing the services of a Securities Depository (as used herein, "Securities Depository" means The Depository Trust Company, New York, New York, or its nominees, successors and assigns).

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

If the Refunding Bonds are issued in book-entry only form:

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

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

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

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

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

(1) identify another qualified securities depository or

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

ARTICLE III
APPLICATION OF PROCEEDS

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

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

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

(C) An amount necessary to fund the incremental increase in the Reserve Requirement, if any, attributable to the Refunding Bonds, to be held in reserve, shall be transferred to the Board of Administration and deposited in the Reserve Account within the Sinking Fund. Alternatively, the Division, as provided in Section 3.02 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 REFUNDING 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 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 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 Resolution to the same extent as if incorporated verbatim in this 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 Resolution shall not be assignable by the Division or the Board of Administration, except for the benefit of the Registered Owners; provided, however, the Board may lease, from time to time, to other tenants such portion or portions of the Housing System as are not needed by the Board, to the extent that any such lease would not adversely affect the Pledged Revenues or the exclusion of interest on any tax-exempt Bonds from gross income for federal income tax purposes.

SECTION 5.02. MODIFICATION OR AMENDMENT. Modification or amendment hereof shall be governed by Section 9.02 of the Original Resolution.

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

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

SECTION 5.04. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants or provisions of this 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 Refunding Bonds and shall in no way affect the validity or enforceability of any other covenants, agreements or provisions of this Resolution or of the Refunding Bonds issued hereunder.

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

SECTION 5.06. REPEAL OF INCONSISTENT RESOLUTIONS AND CANCELLATION OF PRIOR ISSUANCE AUTHORITY. All prior or concurrent resolutions or parts of resolutions inconsistent with this Resolution are hereby amended by this Resolution, but only to the extent of any such inconsistency. 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 Original 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. AMENDMENT OF ORIGINAL RESOLUTION. The Original Resolution is amended as follows. Language to be added to the Original Resolution is indicated by underlining, and language to be deleted from the Original Resolution is indicated by ~~strike-throughs~~.

(A) Section 1.04 of the Original Resolution is hereby amended as follows:

> SECTION 1.04. DEFINITIONS. The following terms shall have the following meanings in this Resolution unless the text otherwise requires:
>
> . . .
>
> "Board of Governors ~~Regents~~" or "Board" shall mean ~~the Board of Regents of the Division of Universities of the State of Florida Department of Education, as created pursuant to the provisions of Chapter 240, Florida Statutes~~ the Board of Governors created by Article IX, Section 7 of the Florida Constitution, and includes any other entity succeeding to the powers thereof.

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

(C) Section 2.02 of the Original Resolution is hereby amended to provide for bonds in the denomination of $1,000 each or any integral multiple thereof.

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

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

ADOPTED on September 20, 2011.

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APPENDIX D

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

A RESOLUTION
AUTHORIZING THE ISSUANCE OF
STATE OF FLORIDA, BOARD OF GOVERNORS,
UNIVERSITY OF FLORIDA
DORMITORY REVENUE BONDS, SERIES 2012A

March 20, 2012

A RESOLUTION AUTHORIZING THE ISSUANCE OF STATE OF FLORIDA, BOARD OF GOVERNORS UNIVERSITY OF FLORIDA DORMITORY REVENUE BONDS, SERIES 2012A, TO FINANCE CAPITAL IMPROVEMENTS TO STUDENT HOUSING FACILITIES ON THE CAMPUS OF THE UNIVERSITY OF FLORIDA; 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 Outstanding Bonds and to the 2012A Bonds (as defined herein).

"2012A Bonds" means the State of Florida, Board of Governors, University of Florida Dormitory Revenue Bonds, Series 2012A, authorized by this Resolution.

"2012A Project" means the renovation of multiple existing residential facilities located on the University's main campus, including eleven apartment buildings that are part of Corry Village and three traditional dormitory buildings, Weaver, Thomas, and Buckman Halls, as previously 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.

"2012A Project Construction Fund" means a trust fund held in the State Treasury in which shall be deposited the net proceeds of the 2012A Bonds and other available moneys for the construction of the 2012A Project.

"Additional Parity Bonds" means any obligations hereafter issued pursuant to the terms and conditions of the Original 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 Original Resolution the same as the Bonds originally authorized and issued pursuant to the Original Resolution, and all of the applicable covenants and other provisions of the Original 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 Original Resolution, and the Registered Owners of any Additional Parity Bonds evidencing additional obligations subsequently issued within the limitations of and in compliance with the Original 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 housing facility which is being added to the University's Housing System and which is secured by the revenues of such housing facility.

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

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

"Bonds" means the Outstanding Bonds, the 2012A Bonds and any Additional Parity Bonds issued in accordance with Section 6.01 of the Original Resolution.

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

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

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

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

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

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

"Housing System" means those residence halls, apartments, or other living units at the University, the revenues of which are pledged to the Prior Lien Obligations and the Bonds, together with such additions thereto as shall be made from time to time. The Housing System consists of facilities known as Broward, Hume, Rawlings, Corry Village, Jennings, Graham, Trusler, Simpson, East, Beaty Towers, University Village South, Fletcher, Sledd, Buckman, Thomas, Murphree, Tolbert, North, Riker, Weaver, Yulee, Mallory, Reid, Keys, Springs, Lakeside, Diamond Village, Tanglewood Apartments, and such additional facilities as at some future date may be added to the Housing System.

"Original Resolution" means the resolution adopted by the Governing Board on January 10, 1989 as amended and restated in its entirety on June 13, 2000, and as amended and supplemented through the date of this Resolution..

"Outstanding Bonds" means the Outstanding State of Florida, Florida Education System, University of Florida Housing Revenue Refunding Bonds, Series 2005A, and the Outstanding State of Florida, Board of Governors, University of Florida Dormitory Revenue Refunding Bonds, Series 2011A.

"Prior Lien Obligations" means the State of Florida, Board of Regents, University of Florida Housing Revenue Certificates, Series of 1984.

"Project Costs" means the actual costs of the 2012A Project, financed through the issuance of the 2012A Bonds, 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 2012A Project; interest on the 2012A 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 necessary to the construction and placing in operation of the 2012A 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.

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

"Resolution" means this resolution, adopted by the Governor and Cabinet as the Governing Board of the Division of Bond Finance, authorizing the issuance of the 2012A 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 Resolution is adopted pursuant to the provisions of Article VII, Section 11(d) of the Florida Constitution; Sections 215.57-215.83, Florida Statutes, (the "State Bond Act"); Section 1010.62, Florida Statutes; other applicable provisions of law; and the Original Resolution; and it constitutes a resolution authorizing bonds pursuant to the State Bond Act.

SECTION 1.03. 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 to finance the construction and acquisition of such improvements.

(B) The construction of the 2012A Project at the University is necessary, desirable and in the best interest of the University.

(C) The Board of Governors adopted a resolution on January 19, 2012 requesting the Division of Bond Finance to take the necessary actions required for the issuance of the 2012A Bonds.

(D) The State at this time is without immediately available funds to make the capital outlay necessary for the construction of the 2012A Project.

(E) Pursuant to the State Bond Act, the Division of Bond Finance is authorized to issue the 2012A Bonds on behalf of the Board of Governors to finance the 2012A Project.

(F) (1) The 2012A Project will be the renovation of multiple existing residential facilities located on the University's main campus, including eleven apartment buildings that are part of Corry Village and three traditional dormitory buildings, Weaver, Thomas, and Buckman Halls, substantially in accordance with the plans and specifications as may be approved by the Board of Governors from time to time.

(2) As required by Article VII, Section 11(f) of the Florida Constitution, the Florida Legislature approved the 2012A Project pursuant to Section 1010.62(7), Florida Statutes.

(G) The anticipated revenues to be derived from the Housing System will be sufficient to pay the principal of and interest on the Prior Lien Obligations, the Outstanding Bonds and the 2012A Bonds and to make all Reserve, Sinking Fund and other payments provided for herein.

(H) The principal of and interest on the 2012A 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 Resolution.

(I) The lien of the 2012A Bonds on the Pledged Revenues will be junior and subordinate to the lien thereon of the outstanding Prior Lien Obligations and will be on a parity with the Outstanding Bonds.

(J) The 2012A 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) The Division of Bond Finance, pursuant to the statutes and constitutional provisions herein cited, is authorized to issue the 2012A Bonds, on behalf of, and in the name of the Board of Governors, subject to the terms, limitations and conditions contained in the Original Resolution, and in this 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) Section 6.01 of the Original Resolution 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 2012A Bonds, the Original Resolution, as amended and supplemented through the date of this Resolution, shall 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 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 2012A 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 Resolution.

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

SECTION 2.01. AUTHORIZATION OF 2012A BONDS. Subject and pursuant to the provisions of this Resolution and the Original Resolution, fully registered revenue bonds of the Board of Governors to be known as "State of Florida, Board

of Governors, University of Florida Dormitory Revenue Bonds, Series 2012A" (or such other designation as may be determined by the Director) are hereby authorized to be issued by the Division of Bond Finance in an aggregate principal amount not exceeding $31,000,000, for the purpose of financing the construction, furnishing and equipping of the 2012A Project as described herein. Such bonds may be sold and issued in one or more series and in combination with other University of Florida Dormitory 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.

SECTION 2.02. APPLICABILITY OF ARTICLE II OF THE ORIGINAL RESOLUTION. Except as otherwise provided in this Resolution, the terms, description, execution, negotiability, redemption, registration, transfer, authentication, disposition, replacement, issuance and form of the 2012A Bonds shall be governed by the provisions of Article II of the Original Resolution, adjusted to the extent necessary to apply to the 2012A Bonds, except as otherwise provided in this Resolution. The form of the 2012A Bonds shall be governed by this Resolution. The text of the 2012A Bonds may contain such provisions, specifications and descriptive words not inconsistent with the provisions of this 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 2012A BONDS. The 2012A 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 2012A Bonds, signed by an authorized signatory of said Bond Registrar/Paying Agent. Any of the above signatures may be a facsimile signature imprinted or reproduced on the 2012A 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 2012A Bonds shall cease to be such officer of the Board of Governors before the 2012A Bonds so signed and sealed shall have been actually sold and delivered, the 2012A Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such 2012A Bonds had not ceased to hold such office. Any 2012A 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 2012A Bond shall hold the proper office, although at the date of such 2012A 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 2012A 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 THE 2012A BONDS.

(A) Notwithstanding anything to the contrary in the Original Resolution or this Resolution, or any other resolution relating to the 2012A Bonds (for the purposes of this section, collectively, the "Resolution"), the 2012A 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 2012A 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 2012A Bonds are issued in book-entry only form:

(1) The 2012A Bonds shall be issued in the name of the Securities Depository as Registered Owner of the 2012A Bonds, and held in the custody of the Securities Depository or its designee.

(2) Transfers of beneficial ownership of the 2012A 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 2012A Bonds. Beneficial ownership interests in the 2012A 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 2012A 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 2012A Bonds. Transfers of ownership interests in the 2012A 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 2012A Bonds registered in its name for the purposes of

(a) payment of the principal of, premium, if any, and interest on the 2012A 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 2012A Bonds; and

(ii) a certificate of any such Participant as to the identity of, and the respective principal amount of 2012A 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 2012A 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 2012A 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 2012A 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 2012A 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 2012A Bonds to produce the same effect. Any provision hereof permitting or requiring delivery of the 2012A Bonds shall, while the 2012A 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 2012A Bonds in the form of fully registered bonds to each Beneficial Owner.

ARTICLE III
APPLICATION OF PROCEEDS

SECTION 3.01. CONSTRUCTION OF THE 2012A PROJECT. The Board of Governors is authorized to construct the 2012A Project from the proceeds of the sale of the 2012A Bonds and other legally available funds, subject to the provisions of this Resolution, the Original Resolution, and the applicable laws of Florida.

SECTION 3.02. APPLICATION OF 2012A BOND PROCEEDS. (A) Upon receipt of the proceeds of the sale of the 2012A Bonds, and after reserving an amount sufficient to pay all costs and expenses incurred in connection with the preparation, issuance and sale of the 2012A 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 2012A 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 Debt Service Reserve Requirement, if any, 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 3.02(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 in an amount equal to the difference between the Debt Service 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 2012A Bonds.

(3) After making the transfers provided for in subsections (1) and (2) above, the balance of the proceeds of the 2012A Bonds shall be transferred to and deposited into the 2012A Project Construction Fund, which is hereby created in the State Treasury.

(B) Any unexpended balance remaining in the 2012A Project Construction Fund, after a consulting architect shall certify that the 2012A Project has been completed and after all costs thereof paid or payment provided for, shall be either (i) applied to fixed capital outlay projects of the Housing System, or (ii) deposited into the Sinking Fund created by the Original Resolution.

(C) In addition to the aforementioned proceeds of the 2012A Bonds, the Board or the University of Florida may deposit into the 2012A Project Construction Fund additional funds legally available for the purposes of such fund which, together with the proceeds of the 2012A Bonds, will be sufficient to finance the total 2012A Project Costs. Any such additional funds, other than the proceeds of the 2012A Bonds, shall be derived from sources and in a manner which will not jeopardize the security of the 2012A Bonds issued pursuant to this Resolution.

(D) All moneys in the 2012A 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 the 2012A 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 THE 2012A PROJECT CONSTRUCTION FUND. Any moneys in the 2012A Project Construction Fund not immediately needed for the purposes provided in this 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 2012A Project which are incurred by the University prior to the issuance of the 2012A Bonds may be reimbursed from the proceeds of the 2012A Bonds to the extent permitted under the Code. The expenditures will be reimbursed from the 2012A Project Construction Fund.

ARTICLE IV
SECURITY FOR THE 2012A BONDS

SECTION 4.01. 2012A BONDS ON A PARITY WITH THE OUTSTANDING BONDS; 2012A BONDS SUBORDINATE TO THE PRIOR LIEN OBLIGATIONS. The 2012A Bonds shall be issued subject to the provisions of Section 6.01 of the Original Resolution governing the issuance of Additional Parity Bonds thereunder. The 2012A 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. The lien of the 2012A Bonds on the Pledged Revenues will be junior and subordinate to the lien thereon of the outstanding Prior Lien Obligations.

SECTION 4.02. 2012A BONDS SECURED BY ORIGINAL RESOLUTION. The 2012A 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 2012A 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 Resolution to the same extent as if incorporated verbatim in this Resolution, and shall be fully enforceable in the manner provided in the Original Resolution, by any of the Registered Owners of the 2012A Bonds.

ARTICLE V
MISCELLANEOUS; AMENDMENT OF ORIGINAL RESOLUTION

SECTION 5.01. RESOLUTION NOT ASSIGNABLE. This 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 Housing System as are not needed by the Board, to the extent that any such lease would not adversely affect the Pledged Revenues or the exclusion of interest on any tax-exempt Bonds from gross income for federal income tax purposes.

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

SECTION 5.03. CONTINUING DISCLOSURE. (A) In order to comply with Rule 15c2-12 of the Securities and Exchange Commission, the Board of Governors 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 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 2012A Bonds and shall in no way affect the validity or enforceability of any other covenants, agreements or provisions of this Resolution or of the 2012A Bonds issued hereunder.

SECTION 5.05. FISCAL AGENT. Upon the sale and delivery of the 2012A 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 with respect to the 2012A Bonds.

SECTION 5.06. REPEAL OF INCONSISTENT RESOLUTIONS AND CANCELLATION OF PRIOR ISSUANCE AUTHORITY. All resolutions and parts of resolutions heretofore adopted pertaining to the subject matter of this Resolution, to the extent that they are inconsistent with this Resolution, are hereby repealed, revoked, and rescinded, but only to the extent of any such inconsistencies.

The authority for the issuance and delivery of the unissued portion of any bonds authorized prior to the date of this Resolution pursuant to the Original Resolution, as amended and supplemented, is hereby canceled.

SECTION 5.07. SUCCESSOR AGENCIES AND OFFICIALS. Any references in the Original Resolution or this Resolution to offices, bodies or agencies which have been or are superceded, replaced or abolished by law, shall be deemed to refer to the successor 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. RESERVE REQUIREMENT FOR THE 2012A BONDS. Notwithstanding the provisions of the Original Resolution, the Reserve Account for the 2012A Bonds authorized by this Resolution shall be funded in an amount determined by the Director, which shall not exceed the amount permitted under the Code. Such amount may be zero.

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

(A) Section 4.03 of the Original Resolution is hereby amended to reflect the change in accounting system necessitated by the devolution of the State University System as follows:

> **SECTION 4.03. HOUSING SYSTEM REVENUE FUND.** The entire Gross Revenues, as defined herein, derived from the operation of the Housing System, shall be deposited by the University ~~Board of Regents with the State Treasurer of Florida~~ in a trust fund known as the "University of Florida Housing System Revenue Fund" (hereinafter referred to as "Revenue Fund") which fund was created by the 1959 Resolution. 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 ~~Board of Regents~~ and used only for the purposes and in the manner provided in the 1959 Resolution, the 1974 Resolution, the 1984 Resolution~~,~~ and this Resolution.

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

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

ADOPTED on March 20, 2012.

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APPENDIX E

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

A RESOLUTION
AUTHORIZING THE ISSUANCE OF
STATE OF FLORIDA, BOARD OF GOVERNORS
UNIVERSITY OF FLORIDA
DORMITORY REVENUE BONDS, SERIES 2013A

October 10, 2013

A RESOLUTION AUTHORIZING THE ISSUANCE OF STATE OF FLORIDA, BOARD OF GOVERNORS UNIVERSITY OF FLORIDA DORMITORY REVENUE BONDS, SERIES 2013A, TO FINANCE THE CONSTRUCTION OF A STUDENT HOUSING FACILITY ON THE CAMPUS OF THE UNIVERSITY OF FLORIDA; CANCELING THE AUTHORITY FOR UNISSUED PREVIOUSLY AUTHORIZED BONDS; 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 Outstanding Bonds and to the 2013A Bonds (as defined herein).

"2013A Bonds" means the State of Florida, Board of Governors, University of Florida Dormitory Revenue Bonds, Series 2013A, authorized by this Resolution.

"2013A Project" means the construction of a student housing facility on the main campus of the University, as previously 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 2013A Bonds and other available moneys for the construction of the 2013A Project.

"Additional Parity Bonds" means any obligations hereafter issued pursuant to the terms and conditions of the Original 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 Original Resolution the same as the Bonds originally authorized and issued pursuant to the Original Resolution, and all of the applicable covenants and other provisions of the Original 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 Original Resolution, and the Registered Owners of any Additional Parity Bonds evidencing additional obligations subsequently issued within the limitations of and in compliance with the Original 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 housing facility which is being added to the University's Housing System and which is secured by the revenues of such housing facility.

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

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

"Bonds" means the Outstanding Bonds, the 2013A Bonds and any Additional Parity Bonds issued in accordance with Section 6.01 of the Original Resolution.

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

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

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

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

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

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

"Housing System" means those residence halls, apartments, or other living units at the University, the revenues of which are pledged to the Prior Lien Obligations and the Bonds, together with such additions thereto as shall be made from time to time. The Housing System consists of facilities known as Broward, Hume, Rawlings, Corry Village, Jennings, Graham, Trusler, Simpson, East, Beaty Towers, University Village South, Fletcher, Sledd, Buckman, Thomas, Murphree, Tolbert, North, Riker, Weaver, Yulee, Mallory, Reid, Keys Residential Complex, Springs Residential Complex, Lakeside Residential Complex, Diamond Village, Tanglewood Apartments, and such additional facilities as at some future date may be added to the Housing System.

"Original Resolution" means the resolution adopted by the Governing Board on January 10, 1989 as amended and restated in its entirety on June 13, 2000, and as amended and supplemented through the date of this Resolution.

"Outstanding Bonds" means the Outstanding State of Florida, Florida Education System, University of Florida Housing Revenue Refunding Bonds, Series 2005A, the Outstanding State of Florida, Board of Governors, University of Florida Dormitory Revenue Refunding Bonds, Series 2011A, and the Outstanding State of Florida, Board of Governors, University of Florida Dormitory Revenue Bonds, Series 2012A.

"Prior Lien Obligations" means the State of Florida, Board of Regents, University of Florida Housing Revenue Certificates, Series of 1984.

"Project Costs" means the actual costs of the 2013A Project, financed through the issuance of the 2013A Bonds, 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 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.

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

"Resolution" means this resolution, adopted by the Governor and Cabinet as the Governing Board of the Division of Bond Finance, authorizing the issuance of the 2013A 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 Resolution is adopted pursuant to the provisions of Article VII, Section 11(d) of the Florida Constitution; Sections 215.57-215.83, Florida Statutes, (the "State Bond Act"); Section 1010.62, Florida Statutes; other applicable provisions of law; and the Original Resolution; and it constitutes a resolution authorizing bonds pursuant to the State Bond Act.

SECTION 1.03. 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 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 September 12, 2013 requesting the Division of Bond Finance to take the necessary actions required for the issuance of the 2013A Bonds.

(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 the 2013A Bonds on behalf of the Board of Governors to finance the 2013A Project.

(F) (1) The 2013A Project will be the construction of a student housing facility located on the University's main campus, substantially in accordance with the plans and specifications as may be approved by the Board of Governors from time to time.

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

(G) The anticipated revenues to be derived from the Housing System will be sufficient to pay the principal of and interest on the Prior Lien Obligations, the Outstanding Bonds and the 2013A Bonds and to make all Reserve, Sinking Fund and other payments provided for herein.

(H) The principal of and interest on the 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 Resolution.

(I) The lien of the 2013A Bonds on the Pledged Revenues will be junior and subordinate to the lien thereon of the outstanding Prior Lien Obligations and will be on a parity with the Outstanding Bonds.

(J) The 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) The Division of Bond Finance, pursuant to the statutes and constitutional provisions herein cited, is authorized to issue the 2013A Bonds, on behalf of, and in the name of the Board of Governors, subject to the terms, limitations and conditions contained in the Original Resolution, and in this 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) Section 6.01 of the Original Resolution 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 2013A Bonds, the Original Resolution, as amended and supplemented through the date of this Resolution, shall 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 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 2013A 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 Resolution.

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

SECTION 2.01. AUTHORIZATION OF 2013A BONDS. Subject and pursuant to the provisions of this Resolution and the Original Resolution, fully registered revenue bonds of the Board of Governors to be known as "State of Florida, Board of Governors, University of Florida Dormitory 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 in an aggregate principal amount not exceeding $25,000,000, 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 University of Florida Dormitory 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.

SECTION 2.02. APPLICABILITY OF ARTICLE II OF THE ORIGINAL RESOLUTION. Except as otherwise provided in this Resolution, the terms, description, execution, negotiability, redemption, registration, transfer, authentication, disposition, replacement, issuance and form of the 2013A Bonds shall be governed by the provisions of Article II of the Original Resolution, adjusted to the extent necessary to apply to the 2013A Bonds, except as otherwise provided in this Resolution. The form of the 2013A Bonds shall be governed by this Resolution. The text of the 2013A Bonds may contain such provisions, specifications and descriptive words not inconsistent with the provisions of this 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 2013A BONDS. The 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 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 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 2013A Bonds shall cease to be such officer of the Board of Governors before the 2013A Bonds so signed and sealed shall have been actually sold and delivered, the 2013A Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such 2013A Bonds had not ceased to hold such office. Any 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 2013A Bond shall hold the proper office, although at the date of such 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 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 THE 2013A BONDS. (A) Notwithstanding anything to the contrary in the Original Resolution or this Resolution, or any other resolution relating to the 2013A Bonds (for the purposes of this section, collectively, the "Resolution"), the 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 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 2013A Bonds are issued in book-entry only form:

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

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

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

(ii) a certificate of any such Participant as to the identity of, and the respective principal amount of 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 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 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 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 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 2013A Bonds to produce the same effect. Any provision hereof permitting or requiring delivery of the 2013A Bonds shall, while the 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 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 2013A Bonds and other legally available funds, subject to the provisions of this Resolution, the Original Resolution, and the applicable laws of Florida.

SECTION 3.02. APPLICATION OF 2013A BOND PROCEEDS. (A) Upon receipt of the proceeds of the sale of the 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 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 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 Debt Service Reserve Requirement, if any, 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 3.02(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 in an amount equal to the difference between the Debt Service 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 2013A Bonds.

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

(B) Any unexpended balance remaining in the 2013A Project Construction Fund, after a consulting architect shall certify that the 2013A Project has been completed and after all costs thereof paid or payment provided for, shall be either (i) applied to fixed capital outlay projects of the Housing System, or (ii) deposited into the Sinking Fund created by the Original Resolution.

(C) In addition to the aforementioned proceeds of the 2013A Bonds, the Board or the University of Florida may deposit into the 2013A Project Construction Fund additional funds legally available for the purposes of such fund which, together with the proceeds of the 2013A Bonds, will be sufficient to finance the total 2013A Project Costs. Any such additional funds, other than the proceeds of the 2013A Bonds, shall be derived from sources and in a manner which will not jeopardize the security of the 2013A Bonds issued pursuant to this Resolution.

(D) All moneys in the 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 the 2013A 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 THE 2013A PROJECT CONSTRUCTION FUND. Any moneys in the 2013A Project Construction Fund not immediately needed for the purposes provided in this 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 prior to the issuance of the 2013A Bonds may be reimbursed from the proceeds of the 2013A Bonds to the extent permitted under the Code. The expenditures will be reimbursed from the 2013A Project Construction Fund.

ARTICLE IV
SECURITY FOR THE 2013A BONDS

SECTION 4.01. 2013A BONDS ON A PARITY WITH THE OUTSTANDING BONDS; 2013A BONDS SUBORDINATE TO THE PRIOR LIEN OBLIGATIONS. The 2013A Bonds shall be issued subject to the provisions of Section 6.01 of the Original Resolution governing the issuance of Additional Parity Bonds thereunder. The 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 Outstanding Bonds. The lien of the 2013A Bonds on the Pledged Revenues will be junior and subordinate to the lien thereon of the outstanding Prior Lien Obligations.

SECTION 4.02. 2013A BONDS SECURED BY ORIGINAL RESOLUTION. The 2013A 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 2013A 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 Resolution to the same extent as if incorporated verbatim in this Resolution, and shall be fully enforceable in the manner provided in the Original Resolution, by any of the Registered Owners of the 2013A Bonds.

ARTICLE V
MISCELLANEOUS

SECTION 5.01. RESOLUTION NOT ASSIGNABLE. This 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 Housing System as are not needed by the Board, to the extent that any such lease would not adversely affect the Pledged Revenues or the exclusion of interest on any tax-exempt Bonds from gross income for federal income tax purposes.

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

SECTION 5.03. CONTINUING DISCLOSURE. (A) In order to comply with Rule 15c2-12 of the Securities and Exchange Commission, the Board 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 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 2013A Bonds and shall in no way affect the validity or enforceability of any other covenants, agreements or provisions of this Resolution or of the 2013A Bonds issued hereunder.

SECTION 5.05. FISCAL AGENT. Upon the sale and delivery of the 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 with respect to the 2013A Bonds.

SECTION 5.06. REPEAL OF INCONSISTENT RESOLUTIONS AND CANCELLATION OF PRIOR ISSUANCE AUTHORITY. All resolutions and parts of resolutions heretofore adopted pertaining to the subject matter of this Resolution, to the extent that they are inconsistent with this Resolution, are hereby repealed, revoked, and rescinded, but only to the extent of any such inconsistencies.

The authority for the issuance and delivery of the unissued portion of any bonds authorized prior to the date of this Resolution pursuant to the Original Resolution, as amended and supplemented, is hereby canceled.

SECTION 5.07. SUCCESSOR AGENCIES AND OFFICIALS. Any references in the Original Resolution or this Resolution to offices, bodies or agencies which have been or are superceded, replaced or abolished by law, shall be deemed to refer to the successor 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. RESERVE REQUIREMENT FOR THE 2013A BONDS. Notwithstanding the provisions of the Original Resolution, the Reserve Account for the 2013A Bonds authorized by this Resolution shall be funded in an amount determined by the Director, which shall not exceed the amount permitted under the Code. Such amount may be zero.

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

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

ADOPTED on October 10, 2013.

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APPENDIX F

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

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

October 10, 2013

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF STATE OF FLORIDA, BOARD OF GOVERNORS, UNIVERSITY OF FLORIDA DORMITORY REVENUE REFUNDING BONDS, SERIES (TO BE DETERMINED), REFUNDING ALL OR A PORTION OF CERTAIN OUTSTANDING BONDS OF THE UNIVERSITY; CANCELING THE AUTHORITY FOR UNISSUED PREVIOUSLY AUTHORIZED BONDS; 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 this Resolution, as well as the Outstanding Bonds and the Refunding Bonds (as defined herein).

"2005A Bonds" means the State of Florida, Florida Education System, University of Florida Housing Revenue Refunding Bonds, Series 2005A currently outstanding in the principal amount of $30,345,000.

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

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

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

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

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

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

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

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

"Housing System" means those residence halls, apartments, or other living units at the University, the revenues of which are pledged to the Prior Lien Obligations and the Bonds, together with such additions thereto as shall be made from time to time. The Housing System consists of facilities known as Broward, Hume, Rawlings, Corry Village, Jennings, Graham, Trusler, Simpson, East, Beaty Towers, University Village South, Fletcher, Sledd, Buckman, Thomas, Murphree, Tolbert, North, Riker, Weaver, Yulee, Mallory, Reid, Keys Residential Complex, Springs Residential Complex, Lakeside Residential Complex, Diamond Village, Tanglewood Apartments, and such additional facilities as at some future date may be added to the Housing System.

"Interest Payment Date" means, for the Refunding Bonds, January 1 and July 1 of each year.

"Original Resolution" means the resolution adopted by the Governing Board on January 10, 1989 as amended and restated in its entirety on June 13, 2000, and as amended and supplemented through the date of this Resolution.

"Outstanding Bonds" means the Outstanding State of Florida, Florida Education System, University of Florida Housing Revenue Refunding Bonds, Series 2005A, the Outstanding State of Florida, Board of Governors, University of Florida Dormitory Revenue Refunding Bonds, Series 2011A, and the Outstanding State of Florida, Board of Governors, University of Florida Dormitory Revenue Bonds, Series 2012A. Outstanding Bonds will also include, when issued, the State of Florida, Board of Governors, University of Florida Dormitory Revenue Bonds, Series 2013A which are being authorized on this date.

"Principal Payment Date" means, for each Series of Bonds, the dates during each Fiscal Year on which the principal of the Outstanding Bonds of such Series is payable.

"Prior Lien Obligations" means the State of Florida, Board of Regents, University of Florida Housing Revenue Certificates, Series of 1984.

"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.

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

"Refunded Bonds" means all or a portion of the Outstanding 2005A Bonds to be refunded by the Refunding Bonds.

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

"Resolution" means this resolution authoring the issuance and competitive sale of the Refunding Bonds.

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

SECTION 1.02. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the provisions of Article VII, Section 11(d) of the Florida Constitution; Section 1010.62, Florida Statutes; Sections 215.57-215.83, Florida Statutes (the "State Bond Act"); and other applicable provisions of law; and pursuant to 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 Original Resolution, as amended, and as supplemented by this Resolution, shall be deemed to be and shall constitute a contract among the Division, the Board, the University and such Registered Owners. The covenants and agreements to be performed by the Board and the University shall be for the equal benefit, protection, and security of the Registered Owners of any and all of the Outstanding Bonds and the Refunding Bonds, all of which shall be of equal rank and without preference, priority, or distinction as to any of such Bonds over any other thereof, except as expressly provided therein and herein.

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

SECTION 2.01. AUTHORIZATION OF ISSUANCE AND SALE OF REFUNDING BONDS. (A) Subject and pursuant to the provisions of the Original Resolution, fully registered revenue bonds of the Board to be known as "State of Florida, Board of Governors, University of Florida Dormitory Revenue Refunding Bonds, Series (to be determined)" (or such other designation as may be determined by the Director), are hereby authorized to be issued and to be sold at competitive sale in an aggregate principal amount not exceeding $6,500,000 on a date and at the time to be determined by the Director. The Refunding Bonds shall be sold to refund the Refunded Bonds. The Refunding Bonds

may be combined with, designated the same as, and sold with any other series of University of Florida Dormitory Revenue Bonds issued pursuant to the Original Resolution. The maturities or portions of maturities to be refunded shall be as determined by the Director to be in the best financial interest of the State. The redemption of the Refunded Bonds on or after their first call date is hereby authorized.

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

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

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

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

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

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

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

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

(J) The Interest Payment Dates and the Principal Payment Dates for the Refunding Bonds shall be as set forth in the Notice of Bond Sale. Interest on the Refunding Bonds shall be paid by check or draft mailed on the Interest Payment Date (or, in certain cases, may be paid by wire transfer at the election of a Registered Owner, other than a securities depository, in the manner and under the terms provided for in the State's Registrar, Paying Agent and Transfer 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 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 5.01(B) of the Original Resolution. Amounts on deposit in the Reserve Account may be commingled with the amounts deposited for Bonds of additional Series which are secured thereby, shall be held for the benefit of the Registered Owners of only such Bonds as may be specifically secured by the Reserve Account, and shall be applied in the manner provided in the Original Resolution.

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

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

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

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

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

(Q) The Chairman, Secretary and any Assistant Secretary of the Governing Board, the Director, and such other officers and employees of the Division as may be designated by the Governing Board as agents of the Division in connection with the issuance and delivery of the Refunding Bonds, are authorized and empowered, collectively or individually, to take all actions and steps, to execute all instruments, documents, and contracts, and to take all other action on behalf of the Division, in each case as they may deem necessary or desirable, in connection with the execution and delivery of the Refunding Bonds, including but not limited to, contracting with a consultant to verify escrow calculations of the Refunding Bonds, retaining bond counsel to render a special tax opinion relating to the use of the proceeds from the sale of the Refunding Bonds, and providing for redemption of the Refunded Bonds. Notwithstanding anything contained in the Original 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 AGENT. 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 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 Original Resolution or this Resolution, or any other resolution relating to the Refunding Bonds (for purposes of this section, collectively, the "Resolution"), the Refunding Bonds may be issued in book-entry only form utilizing the services of a Securities Depository (as used herein, "Securities Depository" means The Depository Trust Company, New York, New York, or its nominees, successors and assigns).

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

If the Refunding Bonds are issued in book-entry only form:

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

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

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

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

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

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

(1) identify another qualified securities depository or

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

ARTICLE III
APPLICATION OF PROCEEDS

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

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

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

(C) An amount necessary to fund the incremental increase in the Reserve Requirement, if any, attributable to the Refunding Bonds, to be held in reserve, shall be transferred to the Board of Administration and deposited in the Reserve Account within the Sinking Fund. Alternatively, the Division, as provided in Section 3.02 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 REFUNDING BONDS

SECTION 4.01. REFUNDING BONDS ON A PARITY WITH THE OUTSTANDING BONDS. The Refunding Bonds shall be issued subject to the provisions of Section 6.01 of the Original Resolution governing the issuance of Additional Parity Bonds thereunder. 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 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 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 Resolution to the same extent as if incorporated verbatim in this 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 Resolution shall not be assignable by the Division or the Board of Administration, except for the benefit of the Registered Owners; provided, however, the Board may lease, from time to time, to other tenants such portion or portions of the Housing System as are not needed by the

Board, to the extent that any such lease would not adversely affect the Pledged Revenues or the exclusion of interest on any tax-exempt Bonds from gross income for federal income tax purposes.

SECTION 5.02. MODIFICATION OR AMENDMENT. Modification or amendment hereof shall be governed by Section 9.02 of the Original Resolution.

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

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

SECTION 5.04. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants or provisions of this 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 Refunding Bonds and shall in no way affect the validity or enforceability of any other covenants, agreements or provisions of this Resolution or of the Refunding Bonds issued hereunder.

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

SECTION 5.06. REPEAL OF INCONSISTENT RESOLUTIONS AND CANCELLATION OF PRIOR ISSUANCE AUTHORITY. All prior or concurrent resolutions or parts of resolutions inconsistent with this Resolution are hereby amended by this Resolution, but only to the extent of any such inconsistency. The authority for the issuance and delivery of the unissued portion of any State of Florida, University of Florida Housing or Dormitory Revenue Bonds authorized prior to the date of this resolution is hereby canceled.

SECTION 5.07. SUCCESSOR AGENCIES AND OFFICIALS. Any references in the Original 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 Resolution, the Original Resolution is in all respects ratified and confirmed, and this Resolution shall be read, taken, and construed as a part of the Original Resolution.

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

ADOPTED on October 10, 2013.

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THE UNIVERSITY OF FLORIDA
Gainesville, Florida
(Source: Information provided by the University of Florida)

Introduction

The University of Florida is a State-supported land-grant comprehensive research university with student enrollment exceeding 50,000 students. It is the State's oldest university, the only member of the prestigious Association of American Universities in the State of Florida and one of only 61 members in North America. The University is also recognized by the Carnegie Commission on Higher Education as one of the nation's leading research universities.

While highly recognized for its achievements in research and academic programs at the graduate and professional levels, the University is also dedicated to excellence in its undergraduate programs. The student body has the highest academic ranking in Florida and is among the highest ranking public universities in the nation.

Because of the range of academic and research programs on its campus, the University of Florida is among the nation's three most comprehensive universities. It has 16 colleges, more than 170 interdisciplinary research and education centers, bureaus and institutes. These bring together faculty and student scholars from various academic programs to provide research and development services in all areas of State interest. More than 100 undergraduate degree programs are offered and the graduate school coordinates approximately 200 graduate degree programs throughout the University's colleges and schools. Professional post-baccalaureate degrees are offered in law, dentistry, medicine, pharmacy and veterinary medicine.

History

The University of Florida traces its origins to the takeover of the private Kingsbury Academy in Ocala by the State-funded East Florida Seminary in 1853. The seminary was moved to Gainesville following the Civil War. It was consolidated with the State's land-grant Florida Agriculture College, then located in Lake City, to become the University of Florida in Gainesville in 1905. The University had an initial enrollment of 102. Until 1947, the University was for men only and one of only three State colleges. The other State colleges were Florida State College for Women (now Florida State University) and Florida Agricultural and Mechanical College (now Florida Agricultural and Mechanical University). Since 1947, when the student body numbered 8,177 men and 601 women, the University of Florida has grown to over 50,000 students.

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 State University System. The Board of Governors defines the mission of each university and ensures the well-planned coordination and operation of the State University System. The Governor appoints fourteen members to the Board of Governors for staggered terms of seven years. The appointed members are subject to confirmation by the Senate. The Commissioner of Education, the chair of the Advisory Council of Faculty Senates, and the president of the Florida Student Association, also serve as members.

Each university is directly governed by a Board of Trustees ("the Trustees"), consisting of 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 and policies 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/senior vice president for Academic Affairs assumes responsibility for the president during any absence and is the chief academic officer in the university organization. Other vice presidents have responsibility for specific areas within the organization. The deans of colleges and schools are responsible to the Provost for all matters relating to programs and personnel in their respective academic units.

University Trustees	Term Expires
C. David Brown, II (Chair) – Chairman, Broad and Cassal (Orlando, FL)	January 6, 2015
Christina Bonarrigo – Student Body President (Gainesville, FL)	May 1, 2014
Susan Cameron – Former Chairman and CEO of Reynolds American Inc. (Ft. Lauderdale, FL)	January 6, 2016
Christopher T. Corr – Executive Vice President, Design and Planning, AECOM (Gainesville, FL)	January 6, 2016
Marshall M. Criser, III – President, AT&T (Miami, FL)	January 6, 2015**
Charles B. Edwards - Attorney (Ft. Myers, FL)	January 6, 2016
James "Bill" Heavener – President, Heavener Co. and CEO of Full Sail University (Winter Park, FL)	January 6, 2016
Marc Heft – Chair UF Faculty Senate, Professor, College of Dentistry (Gainesville, FL)	January 1, 2014
Carolyn K. Roberts – President, Roberts Real Estate (Ocala, FL)	June 6, 2015
Dr. Jason Rosenberg – Surgeon (Gainesville, FL)	January 6, 2016
Juliet M. Roulhac – Senior Attorney, Florida Power and Light Company (Miami, FL)	January 6, 2015
Dr. Steven M. Scott – Chairman, Scott Holdings, LLC (Boca Raton, FL)	January 6, 2013*
David M. Thomas – Former Chairman and CEO of IMS Health (Windemere, FL)	January 6, 2018

*Indicates the board members term has expired. These members will serve until replacements have been announced.
**Mr. Criser was recently named the Chancellor of the State University System. A replacement will be required for this position.

The establishment of individual University Board of Trustees has increased the individual institutions' control of their academic and fiscal affairs. Under the new structure, the universities are no longer state agencies, but are autonomous state-supported public corporations. While the exact structure of the new system continues to evolve, certain of the changes do 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 of tuition and the right to retain their own tuition revenues instead of sending them to the State for redistribution. Still, tuition-setting power for in-state students remains largely in the hands of the Legislature, with lawmakers determining the maximum allowable rates of tuition increase and universities setting the tuition within those limits and any limits imposed by the Board of Governors. The ability for the University to set and collect a number of 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 2,000-acre contiguous campus has over 1,000 buildings containing 20.5 million gross square feet. These facilities have a book value of more than $1 billion with a replacement value of more than $2.5 billion. Of these buildings, more than 200 have classrooms and laboratories. Within the past decade, over 40 major buildings have been completed. Funding from grants, private gifts and the legislature has allowed for significant improvements and additions to facilities located at the University, including the new Biomedical Sciences Building, Pugh Hall, Hough Hall, Levin Advocacy Center, the Emerging Pathogens Institute, the Small Animal Hospital, the Nanoscale Research Facility and the UF Innovation HUB. The University is currently in the construction phase of the Harn Asian Art Wing Addition, the Clinical & Translation Research Building, the Research & Academic Center at Lake Nona and the Cellulosic Ethanol Plant.

The Florida Museum of Natural History is among the top ten natural history museums in the nation and number one in the Southeast. Notable other facilities include the Harn Museum of Art; the Phillips Center for Performing Arts; the University Art Gallery; the second largest academic computing center in the south; one of the nation's few self-contained intensive care hyperbaric chambers for treating near-drowning victims; a materials measuring system with helium refrigerators which, along with only two others in the world, have recorded the closest temperature to absolute zero; a 100-kilowatt training and research reactor; the largest coastal engineering wave tank in the southeast; the second largest research facility in the southeast, the world's largest and most complete citrus research center; a world-class cast-bell carillon and a 74-rank Aeolian Skinner organ. The Stephen C. O'Connell Center and the J. Wayne Reitz Union provide space for a myriad of student and faculty activities. One thousand persons can participate simultaneously in eight different recreational activities in the O'Connell Center. More than 20,000 people use the Union daily for dining, meeting, bowling, pool and other table games, arts and crafts, music listening, TV viewing and

more. Open spaces, small ponds, picnic areas, shady nooks and even an 81-acre wildlife sanctuary lake on campus provide opportunities to enjoy Florida's year-round outdoor life.

Capital Improvement Plan

The following table shows the capital improvement projects currently in progress for the University as well as the current and future funding sources for each. Several of these projects are funded with Public Education Capital Outlay monies generated from the collection of gross receipts taxes levied on utilities and telecommunication services. Various other funding sources (general revenue, capital improvement fee trust fund, private funds, bond proceeds, grants, etc.) provide monies to finance some of the capital improvement projects.

Capital Improvement Projects
in Progress at January 1, 2013

	Funding Sources	
Project	**Public Education Capital Outlay**	**Other**
Tennis Practice Facility		$2,000,000
Gymnastics Renovation and Addition		4,000,000
Tropical Research & Education Center (Homestead)		3,149,400
Chemical Engineering Building Addition		3,635,149
Research & Academic Center at Lake Nona	$32,000,000	22,585,524
East Campus Data Center		15,600,000
Institute on Aging Clinical Translational Research Building		44,478,837
Harrell Medical Education Building		44,447,700
Chemistry/Chemical Bldg and Reno of Existing	7,258,204	
SUS Joint Use Library Storage Facility	2,017,512	
Addition & Renovations to JWRU Student Union		69,000,000
Heavner Hall – WCBA Undergrad Studies Bldg.		21,400,000
Total	**$41,275,716**	**$230,296,610**

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The following table lists the University's 5-year capital improvement plan by priority level.

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

Priority Number	Project Name	2014-15	2015-16	2016-17	2017-18	2018-19	Total Requested
1	Utilities / Infrastructure Improvements	$14,000,000	$16,000,000	$18,000,000	$18,000,000	$18,000,000	$84,000,000
2	Chemistry & Chemical Biology	29,145,898	10,000,000	4,295,898			43,441,796
3	Nuclear Science Building Renov/Addit.		25,000,000	15,000,000	5,000,000		45,000,000
4	Norman Hall Remodeling/Renov.			8,000,000	8,000,000	8,437,950	24,437,950
5	Dental Science Building Renovations			3,150,000			3,150,000
6	McCarty Hall – Renov.			12,362,500	13,800,000	9,131,000	35,293,500
7	Mechanical/Aeronautical Engineering			28,750,000	19,910,312	16,905,000	65,565,312
8	Harrell Medical Education Building				22,500,000	22,500,000	45,000,000
9	CLAS Life Sciences				14,662,500	20,000,000	34,662,500
10	Whitney Ctr. For Marine Animal Health				12,597,712	15,922,288	28,520,000
11	UF Public Safety Building				8,507,999	19,980,999	28,488,998
12	IFAS Natural Resources Building					23,000,000	23,000,000
13	Psychology Remodel and Addition					13,800,000	13,800,000
14	IFAS Field Operations Relocation					2,000,000	2,000,000
15	HDC/BSB Renovations/Remodeling					15,760,750	15,760,750
16	Rolfs Hall Restoration/Renovation					13,826,556	13,826,556
17	Weil Hall Remodeling/Renovation					14,322,684	14,322,684
18	IFAS Tropical Res. & Ed. Ctr.					6,000,000	6,000,000
19	Environmental Sciences Building					45,000,000	45,000,000
20	Music Building Renovation					18,250,000	18,250,000
	Totals	**$43,145,898**	**$51,000,000**	**$89,558,398**	**$122,978,523**	**$282,837,227**	**$589,520,046**

Budgetary Process

The University of Florida Board of Trustees (the "University Board") is required to prepare and submit to the Florida Board of Governors for review an annual operating budget which represents the University's plan for utilizing the resources available through direct or continuing appropriation by the Legislature, student fees, and other local sources. The operating budget is prepared and submitted in accordance with the provisions of State law, rules of the Florida Board of Governors, and the General Appropriations Act. The University's operating budget is comprised of the following budget entities:

Educational and General. The Educational and General budget is comprised of activities which serve the University's primary mission of teaching, research and public service and which are funded from State appropriations, student fees, Federal formula funds, and sales of goods and services that are incidental to the conduct of educational activities.

Auxiliary Enterprises. The Auxiliary Enterprises budget represents planned expenditures funded from revenues generated by self-supporting functions and service centers.

Contracts and Grants. The Contracts and Grants budget represents planned expenditures supported by contracts and grants sponsored by Federal, State, and local units of government as well as private industry. This budget also includes gifts and grants from private sources.

Student Activities. The Student Activities budget includes planned expenditures to be funded from activity and service fees, which the University is authorized by law to charge its students. The budget is developed and approved in accordance with Section 1009.24(9), Florida Statutes.

Concessions. The Concession Fund represents planned expenditures of revenues earned from vending activities.

Intercollegiate Athletics. Intercollegiate athletics at the University is operated by the University Athletic Association, Inc., a private, not-for-profit organization and a University direct-support organization as defined by Section 1004.28, Florida Statutes. The budget includes planned expenditures of revenue sources that include, but are not limited to, student athletic fees assessed and collected by the University as authorized by Section 1009.24(11), Florida Statutes, ticket sales, private contributions, sales and licensing, and concessions.

Student Financial Aid. The Student Financial Aid budget consists of estimated expenditures of revenues received from Federal, State, and private sources as well as student financial aid fees assessed and collected by the University, as authorized by Section 1009.24(6), Florida Statutes, and other University-designated sources for financial assistance to students.

Self-Insurance Program. The Self-Insurance Program (Program) provides the general and professional liability protection to the University Board for its faculty members and other employees of the six Health Science Center (HSC) colleges. The budget represents estimated revenues from contribution/premiums paid by the Program participants, planned administrative expenses of the Program, and estimated claims costs.

Faculty Practice Plans. This budget consists of planned expenditures of revenues resulting from clinical practice by members of the academic clinical faculty of the University of Florida Health Science Center.

The operating budget of the University is included below for the prior and current Fiscal Years.

Operating Budget*

Budget Entity	**2009-10**	**2010-11**	**2011-12**	**2012-13**	**2013-14**
Educational and General	$830,653,951	$858,111,984	$830,255,035	$791,915,959	$910,524,769
Auxiliary Enterprises	309,237,424	336,399,605	415,953,781	425,634,509	379,500,287
Contracts and Grants	1,015,553,201	1,013,674,802	843,880,393	810,106,111	772,560,850
Student Activities	13,689,000	14,089,597	16,703,119	17,712,360	18,652,212
Concessions	748,290	714,110	814,839	852,716	868,000
Intercollegiate Athletics	85,485,675	89,955,231	100,688,657	100,032,208	100,547,102
Student Financial Aid	403,150,381	411,780,841	446,091,502	456,046,145	438,810,891
Self-Insurance Program	33,111,783	28,967,007	28,133,231	28,122,231	23,805,441
Technology Fee	6,000,000	6,050,000	12,748,227	12,821,106	14,944,763
Faculty Practice Plans*	161,539,573	164,072,238	721,515,780	726,111,239	673,724,316
Total	**$2,859,169,278**	**$2,923,815,415**	**$3,416,784,563**	**$3,369,354,584**	**$3,333,938,631**

* Beginning with the Fiscal Year 2009-10 budget, a portion of Faculty Practice Plans is reported in Contracts and Grants. In addition, beginning with the Fiscal Year 2011-12 budget, Faculty Practice Plan operations were consolidated to save administrative costs. Payroll and supply costs are now run through the University, with the practice plans transferring funds to the University to pay for those costs.

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Sources of Revenue

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*

Fund Source	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13**
State Appropriations	35.84%	27.63%	24.38%	24.16%	22.63%	20.97%
Student Tuition and Fees	10.42%	10.19%	10.83%	11.49%	13.74%	15.22%
Federal and State Student Financial Aid	6.15%	5.51%	6.28%	6.15%	4.98%	4.93%
Federal Contracts and Grants	16.79%	14.85%	16.85%	16.41%	17.52%	16.91%
State and Local Contracts and Grants*	3.37%	2.99%	4.15%	3.32%	1.95%	1.93%
Capital Appropriations and Other Donations	-	4.28%	2.57%	3.14%	0.94%	1.01%
Nongovernmental Contracts and Grants	18.30%	25.50%	25.23%	26.17%	29.39%	27.12%
Auxiliary Enterprises	7.30%	6.24%	6.54%	5.90%	5.54%	5.67%
Sales & Services of Educational Activities	1.97%	2.10%	1.88%	1.97%	2.05%	2.23%
Other Sources	1.47%	0.71%	1.31%	1.29%	1.26%	3.93%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

*For Fiscal Years 2009-10 and 2010-11, State and Local Contract and Grants revenues include American Recovery and Reinvestment Act (ARRA) Funds.
** Preliminary, unaudited.

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

Registration, Tuition and Local Fees for Undergraduate Students

Registration and Tuition Fees (per credit hour)	**2008-09**	**2009-10**	**2010-11**	**2011-12**	**2012-13**	**2013-14**
Resident Students:						
Tuition	$82.03	$88.59	$95.67	$103.32	$103.32	$105.07
Tuition Differential	6.96	13.74	22.00	32.00	44.17	44.17
Building Fee*	2.32	2.32	2.32	2.32	-	-
Student Financial Aid Fee	4.10	4.42	4.78	5.16	5.16	5.25
Capital Improvement Trust Fund Fee*	2.44	2.44	2.44	2.44	6.76	6.76
Total	**$97.85**	**$111.51**	**$127.21**	**$145.24**	**$159.41**	**$161.25**
Non-Resident Students**						
Non-Resident Tuition Fee	$534.76	$614.97	$707.21	$707.21	$707.21	$707.21
Non-Resident Student Financial Aid Fee	26.73	30.74	35.36	35.36	35.36	35.36
Total	**$561.49**	**$645.71**	**$742.57**	**$742.57**	**$742.57**	**$742.57**
Local Fees* (per credit hour)**						
Activity & Service Fee	$10.16	$10.65	$13.94	$14.55	$16.06	$17.35
Athletic Fee	1.90	1.90	1.90	1.90	1.90	1.90
Transportation Access Fee	6.11	6.79	7.33	7.88	8.41	8.91
Health Fee	9.89	10.49	12.99	13.82	13.82	14.11
Technology Fee	N/A	4.42	4.78	5.16	5.16	5.25
Total	**$28.06**	**$34.25**	**$40.94**	**$43.31**	**$45.35**	**$47.52**

* Beginning in Fiscal Year 2012-13, the Building Fee and the Capital Improvement Trust Fund Fee were combined.
** Non-resident students pay additional tuition and fees.
*** Local fees are assessed in addition to the registration and tuition fees.

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

Registration, Tuition and Local Fees for Graduate Students

	2008-09	**2009-10**	**2010-11**	**2011-12**	**2012-13**	**2013-14**
Registration and Tuition Fees (per credit hour)						
Resident Students:						
Tuition	$293.79	$337.85	$388.52	$427.37	$448.73	$448.73
Building Fee*	2.32	2.32	2.32	2.32	-	-
Student Financial Aid Fee	14.68	16.89	19.42	21.36	22.43	22.43
Capital Improvement Trust Fund Fee*	2.44	2.44	2.44	2.44	6.76	6.76
Total	**$313.23**	**$359.50**	**$412.70**	**$453.49**	**$477.92**	**$477.92**
Non-Resident Students**						
Non-Resident Tuition Fee	$600.19	$690.21	$690.21	$690.21	$690.21	$690.21
Non-Resident Student Financial Aid Fee	30.00	34.51	34.51	34.51	34.51	34.51
Total	**$630.19**	**$724.72**	**$724.72**	**$724.72**	**$724.72**	**$724.72**
Local Fees* (per credit hour)**						
Activity & Service Fee	$10.16	$10.65	$13.94	$14.55	$16.06	$17.35
Athletic Fee	1.90	1.90	1.90	1.90	1.90	1.90
Transportation Access Fee	6.11	6.79	7.33	7.88	8.41	8.91
Health Fee	9.89	10.49	12.99	13.82	13.82	14.11
Technology Fee	N/A	5.52	5.97	6.45	6.45	6.56
Total	**$28.06**	**$35.35**	**$42.13**	**$44.60**	**$46.64**	**$48.83**

* Beginning in Fiscal Year 2012-13, the Building Fee and the Capital Improvement Trust Fund Fee were combined.
** Non-resident Students pay additional tuition and fees.
*** Local fees are assessed in addition to the registration and tuition fees.

History of General Revenue Appropriations. The following table sets forth the history of General Revenue appropriations available to the University, which includes appropriations for Educational and General, the University's Institute of Food and Agricultural Sciences and the University's Health Science Center (medicine, veterinary medicine and dentistry), for Fiscal Year 2008-09 through Fiscal Year 2013-14. General Revenue appropriations are primarily funded from Florida's sales tax.

History of General Revenue Appropriations

Fiscal Year	General Revenue Appropriations
2008-09	$555,873,959
2009-10	495,550,706
2010-11	503,938,597
2011-12	465,902,191
2012-13	423,134,295
2013-14	527,422,390

The Fiscal Year 2012-13 General Appropriations Act (the "2012-13 GAA"), Chapter 2012-118, Laws of Florida, incorporated reductions in Educational and General appropriations to the State University System institutions totaling approximately $300 million. The allocation of the total reduction varied by institution, with legislative expectations that the reduced appropriations would be nonrecurring and that the universities would offset a portion of the cuts with available unrestricted reserves and the authorization to raise tuition up to 15% for in-state undergraduate students. The 2012-13 GAA appropriated $423.1 million in general revenue to the University, reflecting a reduction of approximately $42 million in general revenue appropriations from Fiscal Year 2011-12. The Board of Governors approved a 9% tuition differential increase for the University for the 2012-13 academic year, which recouped approximately $15 million in revenues.

The Fiscal Year 2013-14 General Appropriations Act (the "2013-14 GAA"), Chapter 2013-040, Laws of Florida, appropriated $527.4 million in general revenue to the University of Florida, reflecting a net increase of approximately $104.3 million in general revenue appropriations from Fiscal Year 2012-13. This increase includes a $15 million appropriation for being one of two institutions designated as a Preeminent State Research University, and an additional $15 million for the designation of Preeminent State Research University Institute for Online Learning.

History of Other Revenue Sources. The following table sets forth the history of budgeted University revenues other than State general revenue appropriations, by budget entity, for Fiscal Year 2008-09 through Fiscal Year 2013-14.

History of Revenues
Other than General Revenue Appropriations

Fiscal Year	Educational & General[1]	Contracts & Grants	Auxiliary Enterprises	Other[2]	Total
2008-09	$280,290,642	$774,774,992	$294,663,347	$910,352,118	$2,260,081,099
2009-10	335,103,245	1,015,553,201	309,237,424	703,724,702	2,363,618,572
2010-11	354,173,387	1,013,674,802	336,399,605	715,629,024	2,419,876,818
2011-12	364,352,844	843,880,393	415,953,781	1,326,695,355	2,950,882,373
2012-13	368,781,664	810,106,111	425,634,509	1,341,709,005	2,946,231,289
2013-14	383,102,379	772,560,850	379,500,287	1,271,352,725	2,806,516,241

[1] Includes tuition and funds received from the State's Educational Enhancement Trust Fund from sales of lottery tickets.

[2] Includes Student Activities, Concessions, Student Financial Aid, Athletics, the Self-Insurance Program, the Technology Fee, and Faculty Practice Plans. Beginning with the Fiscal Year 2009-10 budget, a portion of Faculty Practice Plans is reported in Contracts and Grants. In addition, beginning with the Fiscal Year 2011-12 budget, Faculty Practice Plan operations were consolidated to save administrative costs. Payroll and supply costs are now run through the University, with the practice plans transferring funds to the University to pay for those costs.

History of Financial Aid Awards. The following table sets forth the history of financial aid awards from Fiscal Year 2008-09 through Fiscal Year 2012-13.

History of Financial Aid Awards

	2008-09	2009-10	2010-11	2011-12	2012-13
Source of Award					
Federal					
Number	21,409	22,804	23,845	24,798	24,309
Amount	$244,252,149	$275,952,893	$297,073,340	$307,787,680	$312,575,961
State					
Number	35,593	35,041	34,539	34,199	33,594
Amount	$134,277,673	$135,233,048	$140,635,931	$129,896,731	$127,650,698
Institutional					
Number	17,831	23,823	19,643	19,921	22,882
Amount	$67,554,341	$77,211,493	$79,707,011	$82,384,669	$93,488,705
Private					
Number	7,826	6,248	5,667	5,865	5,715
Amount	$27,169,701	$23,237,202	$24,231,235	$26,998,158	$28,099,483
Total					
Number	46,325	47,807	47,441	47,400	45,995
Amount	$4733,253,864	$511,634,636	$541,647,517	$547,067,238	$561,814,847
Type of Award					
Grants					
Number	11,551	14,388	14,385	15,172	16,045
Amount	$58,000,547	$89,127,829	$93,708,328	$76,214,275	$84,719,345
Loans					
Number	17,577	17,822	18,046	19,307	19,170
Amount	$216,164,298	$220,777,374	$238,936,519	$263,623,818	$269,290,871
Scholarships					
Number	37,799	37,670	36,909	36,675	36,113
Amount	$164,651,935	$166,944,132	$172,805,008	$168,317,072	$167,403,528
Student Employment					
Number	6,239	6,753	6,778	7,146	9,561
Amount	$13,833,033	$16,340,288	$17,122,617	$18,536,840	$20,038,266
Custodial					
Number	5,458,	4,746	4,758	4,695	4,456
Amount	$20,604,051	$18,445,013	$19,075,045	$20,375,233	$20,038,266
Total					
Number	46,325	47,807	47,441	47,400	45,995
Amount	$473,253,864	$511,634,636	$541,647,517	$547,067,238	$561,814,847

Selected Historical Financial Information

Selected University financial information for Fiscal Years 2008-09 through 2012-13 is set forth in the following tables. This selected historical information has been derived from, and should be read in conjunction with the University financial statements and the related notes thereto, included as Appendix H to this Official Statement. Such financial information has been subject to audit procedure by the State of Florida Auditor General's Office. Implementation of GASB 34 and 35 is reflected in the presentation of the financial information below.

Statement of Net Assets
(In Thousands)

	Fiscal Years Ended June 30				
	2009	2010	2011	2012	UNAUDITED 2013
ASSETS:					
Current Assets:					
Cash and Cash Equivalents	$683	$855	$1,531	$503	$285
Investments	813,536	917,327	978,644	987,024	1,071,694
Accounts Receivable, Net	117,834	116,460	118,336	145,382	90,802
Loans and Notes Receivable, Net	3,804	4,084	3,082	3,155	2,820
Due from State & Component Units	194,104	111,762	91,010	44,855	27,657
Inventories	5,387	5,089	4,865	4,680	4,570
Other Current Assets	586	3,888	2,781	1,824	1,964
Total Current Assets	**$1,135,934**	**$1,159,465**	**$1,200,249**	**$1,187,423**	**$1,199,792**
Noncurrent Assets:					
Restricted Cash and Cash Equivalents	$3	$14	$8	$16	$21
Restricted Investments	76,478	81,735	105,695	100,878	104,053
Loans and Notes Receivable, Net	38,621	37,685	37,314	37,491	36,375
Depreciable Capital	1,378,345	1,505,577	1,557,991	1,549,324	1,633,266
Nondepreciable Capital Assets	125,202	100,018	105,301	116,369	53,072
Other Noncurrent Assets	1,152	914	854	1,126	1,040
Total Noncurrent Assets	**$1,619,801**	**$1,725,943**	**$1,807,163**	**$1,805,204**	**$1,827,827**
TOTAL ASSETS	**$2,755,735**	**$2,885,408**	**$3,007,412**	**$2,992,627**	**$3,027,619**
LIABILITIES:					
Current Liabilities:					
Accounts Payable	$49,061	$61,138	$61,620	$75,033	$66,991
Accrued Salaries and Wages Payable	38,721	44,036	15,742	19,266	19,252
Due to State and Component Units	1,486	26,146	28,901	14,863	80,174
Deferred Revenue	47,449	27,353	28,958	25,575	25,430
Deposits Held in Custody	4,642	5,247	7,773	9,610	16,086
Long-Term Liabilities - Current Portion:					
Bonds and Revenue Certificates Payable	7,409	4,550	5,193	6,919	7,307
Installment Purchase Agreements Payable	2,333	1,259	978	868	846
Capital Leases Payable	100	107	114	74	129
Compensated Absences Payable	8,665	9,885	11,860	7,243	9,143
Liability for Self-Insured Claims	12,930	17,509	16,120	15,440	11,596
Other Current Liabilities	2,364	41	23,408	8,349	7,133
Total Current Liabilities	**$175,160**	**$197,271**	**$200,667**	**$183,240**	**$244,087**
Noncurrent Liabilities:					
Bonds and Revenue Certificates Payable	$121,966	$74,614	$99,314	$119,365	$112,094
Loans and Notes Payable	$0	$0	$0	$0	$5,000
Installment Purchase Agreements Payable	2,108	1,295	1,092	1,077	772
Capital Leases Payable	3,417	3,310	3,197	3,076	2,947
Compensated Absences Payable	152,093	159,750	166,071	90,621	104,306
Postemployment Healthcare Benefits Payable	19,643	42,869	66,062	102,458	139,775
Liability for Self-Insured Claims	86,912	89,481	82,287	87,392	44,551
Other Noncurrent Liabilities	20,070	19,721	19,425	19,106	18,768
Total Noncurrent Liabilities	**$406,214**	**$391,040**	**$437,448**	**$423,095**	**$428,213**
TOTAL LIABILITIES:	**$581,374**	**$588,311**	**$638,115**	**$606,335**	**$672,300**
NET ASSETS:					
Invested in Capital Assets, Net of Related Debt	$1,384,242	$1,510,283	$1,573,215	$1,570,417	$1,554,445
Restricted					
Expendable:					
Loans	33,416	35,027	33,935	36,065	35,853
Capital Projects	186,203	127,441	105,522	47,251	64,217
Debt Service	3,081	4,684	4,863	5,289	5,453
Other Restricted Net Assets	457,539	495,250	540,347	566,081	576,048
Unrestricted	109,880	124,412	111,415	161,189	119,303
TOTAL NET ASSETS	**$2,174,361**	**$2,297,097**	**$2,369,297**	**2,386,292**	**2,355,319**
TOTAL LIABILITIES AND NET ASSETS	**$2,755,735**	**$2,885,408**	**$3,007,412**	**$2,992,627**	**$3,027,619**

Statement of Revenue Expenses and Changes in Net Assets

(In Thousands)

	Fiscal Years Ended June 30				
					UNAUDITED
REVENUES	**2009**	**2010**	**2011**	**2012**	**2013**
Operating Revenues					
Student Tuition and Fees	$344,001	$383,204	$424,462	$462,050	$500,508
Less: Tuition Scholarship Allowances	(115,014)	(137,835)	(148,351)	(141,554)	(148,064)
Net Student Tuition and Fees	228,987	245,369	276,111	320,496	352,444
Federal Grants and Contracts	333,871	381,729	392,326	408,728	391,536
State and Local Grants and Contracts	67,184	53,016	48,431	43,085	44,783
Nongovernmental Grants and Contracts	573,094	571,481	629,771	604,723	629,970
Sales and Services of Auxiliary Enterprises	140,189	148,194	136,634	129,369	131,350
Sales and Services of Educational Departments	47,249	42,602	45,643	47,771	51,555
Interest on Loans and Notes Receivable	769	1,958	1,007	998	976
Other Operating Revenue	377	709	2,824	2,288	2,524
Total Operating Revenues	$1,391,720	$1,445,058	$1,532,747	$1,557,458	$1,605,138
EXPENSES					
Operating Expenses					
Compensation and Employee Benefits	$1,456,954	$1,514,455	$1,583,100	$1,522,935	$1,619,867
Services and Supplies	352,375	390,442	434,167	446,578	460,776
Utilities and Communications	71,510	73,879	67,693	65,675	64,748
Scholarships, Fellowships and Waivers	98,459	97,324	98,600	80,810	82,024
Depreciation	120,508	116,264	126,568	116,697	121,356
Self-Insured Claims and Expenses	21,654	23,957	11,030	11,803	(2,183)
Total Operating Expenses	$2,121,460	$2,216,321	$2,321,158	$2,244,498	$2,346,588
Operating Income (Loss)	($729,740)	($771,263)	($788,411)	($687,040)	($741,450)
NONOPERATING REVENUES (EXPENSES)					
State Appropriations	$620,968	$552,200	$579,123	$527,880	$485,479
Federal and State Scholarship Grants	123,949	142,184	147,345	197,255	198,185
State Appropriated ARRA Funds		40,916	30,923	2,384	-
Investment Income (Loss)	14,848	26,924	29,099	26,156	21,850
Net Increase in the Fair Value of Investments	(20,732)	40,745	16,812	2,355	4,304
Investment Expenses	-	(1,476)	(1,656)	(2,097)	(2,566)
Gain (Loss) on Disposal of Capital Assets	(3,487)	2,152	(5,331)	(2,573)	(3,898)
Interest on Capital Asset Related Debt	(6,578)	(6,502)	(4,464)	(5,483)	(6,135)
Other Non-Operating Revenues (Expenses)	(5,061)	(3,986)	(6,389)	(63,852)	(10,128)
Net Non-Operating Revenues (Expenses)	$723,907	$793,157	$785,462	$682,025	$687,091
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	($5,833)	$21,894	($2,949)	($5,015)	($54,359)
Capital Appropriations	$83,702	$37,969	$60,259	$6,060	$9,464
Capital Grants, Contracts and Donations	12,510	20,172	14,890	15,950	13,922
Total Other Revenues, Expenses, Gains or Losses	$96,212	$58,141	$75,149	$22,010	$23,386
Increase (Decrease) in Net Assets	$90,379	$80,035	$72,200	$16,995	($30,973)
Net Assets, Beginning of Year	$2,095,394	$2,174,361	$2,297,097	$2,369,297	$2,386,292
Adjustment to Beginning Net Assets	(11,412)	42,701	-	-	-
Adjusted Net Assets, Beginning of Year, Restated	2,083,982	2,217,062	2,297,097	2,369,297	2,386,292
Net Assets End of Year	$2,174,361	$2,297,097	$2,369,297	$2,386,292	$2,355,319

Students

General. The University of Florida enrollment has stabilized at around 50,000 students as part of a program to improve the quality of the undergraduate enrollment. The Fall 2013 semester enrollment was 49,992: 65% were undergraduates; 23% were graduate students; and 12% were professional students. Approximately 6,600 (13%) of the Fall 2012 enrollment were first time college freshman (including students enrolled in summer 2012). The demographics of the Fall 2012 enrollment were as follows: 54% female; 46% male; 22.6% minorities (which includes African American, Hispanic, Asian and American Indian); 5.3% African American; 12.0% Hispanic; and 7.9% foreign students.

The middle 50% of SAT scores of entering freshman in Fall 2013 ranged from 1780 to 2080 and the mid-range of their high school grade point averages was 4.1 to 4.4.

About one-fourth of the student body lives in campus residence halls or fraternity or sorority houses. The majority of remaining students live in private apartments surrounding campus. A relatively small number of students commute each day to campus from their permanent home addresses.

The University of Florida's students lead a rich social and extracurricular life. They belong to more than 980 student organizations, attend hundreds of sporting events, concerts, art exhibits and theatrical productions each year and enjoy a variety of outdoor activities throughout the year.

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

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Admission and Registration Headcounts and Percentages by Type of Student

	Fall 2008	Fall 2009	Fall 2010	Fall 2011	Fall 2012	Fall 2013
Total Students:						
No. of Applicants	47,626	47,228	50,316	52,234	52,525	51,096
No. Admitted	16,755	16,808	18,380	18,970	19,967	19,423
% of Applicants Admitted	35.2%	35.6%	36.5%	36.3%	38.0%	38.0%
No. Enrolled	9,423	9,451	9,901	9,921	9,917	9,674
% of Admitted Enrolled	56.2%	56.2%	53.9%	52.3%	49.7%	49.8%
First-Time-in-College:						
No. of Applicants	19,485	18,999	19,881	20,457	20,149	20,327
No. Admitted	7,769	7,563	8,335	8,522	8,632	9,395
% of Applicants Admitted	39.9%	39.8%	41.9%	41.7%	42.8%	46.2%
No. Enrolled	4,186	4,072	4,165	4,226	3,957	4,144
% of Admitted Enrolled	53.9%	53.8%	50.0%	49.6%	45.8%	44.1%
Community College Transfers:						
No. of Applicants	3,709	3,451	3,133	3,237	3,338	3,450
No. Admitted	1,270	1,415	1,442	1,609	1,576	1,597
% of Applicants Admitted	34.2%	41.0%	46.0%	49.7%	47.2%	46.3%
No. Enrolled	993	1,147	1,162	1,288	1,232	1,259
% of Admitted Enrolled	78.2%	81.1%	80.6%	80.0%	78.2%	78.8%
Other Undergraduate Transfers:						
No. of Applicants	2,238	1,575	1,299	1,410	1,602	1,846
No. Admitted	223	253	296	311	375	409
% of Applicants Admitted	10.0%	16.1%	22.8%	22.1%	23.4%	22.2%
No. Enrolled	149	179	191	198	243	281
% of Admitted Enrolled	66.8%	70.8%	64.5%	63.7%	64.8%	68.7%
Post-Baccalaureate:						
No. of Applicants	131	159	200	258	143	175
No. Admitted	84	117	137	154	105	113
% of Applicants Admitted	64.1%	73.6%	68.5%	59.7%	73.4%	64.6%
No. Enrolled	53	90	108	107	74	79
% of Admitted Enrolled	63.1%	76.9%	78.8%	69.5%	70.5%	69.9%
Graduate:						
No. of Applicants	14,856	16,042	18,281	19,633	20,476	18,794
No. Admitted	5,603	5,738	6,402	6,676	7,501	6,137
% of Applicants Admitted	37.7%	35.8%	35.0%	34.0%	36.6%	32.7%
No. Enrolled	2,924	2,889	3,196	3,006	3,363	2,789
% of Admitted Enrolled	52.2%	50.3%	49.9%	45.0%	44.8%	45.4%
Professional Schools:						
No. of Applicants	7,207	7,002	7,522	7,239	6,817	6,504
No. Admitted	1,806	1,722	1,768	1,698	1,778	1,772
% of Applicants Admitted	25.1%	24.6%	23.5%	23.5%	26.1%	27.2%
No. Enrolled	1,118	1,074	1,079	1,096	1,048	1,222
% of Admitted Enrolled	61.9%	62.4%	61.0%	64.5%	58.9%	63.3%

The table below shows the full-time equivalent (FTE) enrollment of the University of Florida 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. 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. Despite increased demand, enrollment numbers have slightly declined over the past five years because the University has intentionally constrained enrollment, due to state budget cuts and the desire to maintain the quality of education.

Full-Time Equivalent Enrollment by Level and Total Headcount Enrollment

	Annual Full-Time Equivalent			Fall Headcount			
Academic Year	Undergraduate	Graduate[1]	Total	Undergraduate	Graduate	Other[2]	Total
2008-09	25,377	9,551	34,928	34,365	11,756	5,991	52,112
2009-10	24,413	9,396	33,809	33,015	11,823	6,006	50,844
2010-11	23,846	9,425	33,271	33,587	12,191	4,338	50,116
2011-12	23,696	9,200	32,896	33,513	12,031	4,241	49,785
2012-13	23,526	9,065	32,641	32,038	12,189	5,859	50,086
2013-14[3]	N/A	N/A	N/A	32,356	11,692	5,874	49,992

[1] Excludes Medical Professionals.
[2] Includes 1st Professionals and Unclassifieds.
[3] Preliminary, subject to change.

The University took the lead in creating an all online baccalaureate program for the State of Florida. As a result, UF expects to experience enrollment gains starting in January 2014. The following table shows the enrollment projections for the University for the next four fall semesters.

Projected Annual Full-Time Equivalent and Headcount Enrollment

	Annual FTE			
Academic Year	Undergraduate	Graduate[1]	Total	Fall Headcount
2014-15	22,974	9,188	32,162	49,820
2015-16	22,914	9,193	32,107	49,720
2016-17	22,998	9,201	32,199	49,819
2017-18	23,030	9,218	32,248	49,894

[1] Includes Medical Professionals.

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The table below shows the total enrollment of students by area of origin for the past six 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	Fall 2013
Florida	42,781	41,958	41,115	40,852	40,674	40,337
New York	542	495	461	430	450	487
Georgia	585	536	509	464	487	509
Virginia	311	268	282	270	300	315
Texas	318	320	328	312	325	313
Pennsylvania	291	275	265	259	253	282
California	341	310	315	308	326	340
New Jersey	257	202	208	205	218	248
All other states	3,197	3,051	2,994	2,993	2,965	3,014
USA Total	48,623	47,415	46,477	46,033	45,998	45,845
Not Residing in U.S.[1]	3,489	3,429	3,639	3,752	4,088	4,077
Total Enrollment	52,112	50,844	50,116	49,785	50,086	49,922

[1] United States citizens not residing in the United States at the time of their admission or readmission.

Student Recruitment. The University of Florida Office of Admissions is responsible for recruiting and enrolling a student body consisting of nationally outstanding academic talent. Students for whom intense study with faculty in seminars and tutorials will have rich personal meaning are recruited. 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 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 mid 50% range of high school grade point averages (GPA), Scholastic Aptitude Test (SAT) scores and American College Test (ACT) scores for first-time-in-college students at the University for the past five fall semesters.

Student Quality Indicators
For First-Time-In-College Students

Fall	High School GPA's	SAT Scores*	ACT Scores**
2009	3.9 – 4.3	1140 – 1360	26 – 31
2010	3.9 – 4.4	1170 – 1360	26 – 30
2011	4.1 – 4.4	1830 – 2090***	28 - 32
2012	4.0 – 4.4	1810 – 2080	27 – 29
2013	4.1 – 4.4	1780 – 2080	27 – 31

* Recentered SAT scores.
**Enhanced ACT scores.
***Beginning in 2011, the maximum score is 2400 rather than 1600, as students are now required to report scores on all three sections of the test rather than just two sections as previously required.

The following table shows the degrees awarded to the students at the University of Florida over the past four years.

Degrees Granted by Discipline

	2008-09				2009-10				2010-11				2011-12			
Discipline	**B**	**S/M**	**P**	**D[1]**	**B**	**S/M**	**P**	**D[1]**	**B**	**S/M**	**P**	**D[1]**	**B**	**S/M**	**P**	**D[1]**
Agricultural and Life Sciences	1,096	215	-	81	1,240	208	-	121	1,183	216	-	113	1,201	204	-	98
Business Administration	1,424	993	-	20	1,386	973	-	19	1,148	1,064	-	11	1,122	1,088	-	10
Dentistry	-	15	81	-	-	16	91	-	-	12	83	-	-	14	82	-
Design, Construction and Planning	274	98	-	3	286	141	-	10	252	161	-	6	231	163	-	15
Education	210	469	-	62	197	510	-	50	159	551	-	62	140	440	-	69
Engineering	971	787	-	179	982	879	-	227	957	875	-	230	1,041	965	-	207
Fine Arts	247	63	-	6	283	55	-	4	245	69	-	11	225	80	-	10
Health and Human Performance	610	74	-	17	547	96	-	11	518	104	-	16	538	128	-	11
Journalism and Communications	711	60	-	14	769	67	-	17	617	48	-	10	630	55	-	18
Law	-	109	424	-	-	125	377	2	-	114	381	-	-	114	334	-
Liberal Arts and Sciences	3,243	256	-	189	3,220	275	-	205	3,095	236	-	229	2,995	235	-	193
Medicine	-	18	124	47	-	24	130	56	-	18	127	37	-	9	134	47
Nursing	210	106	-	22	187	133	-	36	159	47	-	29	203	67	-	38
Pharmacy	-	113	474	15	-	126	483	14	-	181	484	13	-	168	461	14
Physician Assistant Program	-	59	-	-	-	59	-	-	-	58	-	-	-	58	-	-
Public Health & Health Professions	210	152	-	177	205	147	-	174	327	174	-	165	275	182	-	121
Veterinary Medicine	-	33	84	9	-	28	89	12	-	20	87	5	-	25	84	8
TOTAL	**9,205**	**3,620**	**1,187**	**841**	**9,302**	**3,862**	**1,170**	**957**	**8,660**	**3,948**	**1,162**	**936**	**8,601**	**3,995**	**1,095**	**859**

[1] Includes Ed.D, AUD, DPM, DPT and DNP degrees.
Note: B= Baccalaureate Degree, M= Master's Degree, S= Specialist, P=Professional Degree, D= Doctoral Degree.

Faculty

The University has 2,863 full-time "ranked" faculty. They include nationally and internationally recognized scholars, some of the most cited scientists in the world, members of the National Science Foundation Board, the National Academy of Science, National Academy of Engineering, the Institute of Medicine and their respective international counterparts. Some of the distinctive honors that have been bestowed upon the University's faculty include the Pulitzer Prize, the National Science Foundation's Presidential Young Investigator Award and the Fulbright and Guggenheim Fellowships.

Faculty Data

Year	Full-Time Faculty[1]	Part-Time Faculty[1]	Tenured Faculty[2]	Faculty with Terminal Degrees[3]	Student/ Faculty Ratio[4]
2007-08	3,982	233	1,940	2,979	21.7/1
2008-09	3,882	216	1,866	2,935	20.3/1
2009-10	3,790	232	1,851	2,856	20.4/1
2010-11	3,801	235	1,816	2,899	20.5/1
2011-12	3,890	248	1,814	2,843	20.5/1
2012-13[5]					21.4/1

[1] Faculty is salaried regular appointments and does not include adjunct faculty. Librarians and Development Research School employees on faculty lines have been excluded.
[2] Tenured faculty includes service professors with tenure.
[3] The number of terminal degrees represents faculty members with highest degree in their field.
[4] Student/Faculty ratio is derived from annual student FTE and 9 and 12 month school/college faculty FTE for each year.
[5] 2012-13 Faculty data is currently unavailable.

Staff

The University as of January 30, 2013 employed the following personnel:

Pay Plan/Type	Full-Time	Part-Time	Total
Faculty[1]	4,502	852	5,354
TEAMS	6,980	154	7,134
USPS (Support Personnel)	1,110	12	1,122
Graduate Assistants	1,172	4,071	5,243
Post-Docs	649	27	676
OPS	1,784	6,436	8,220
Lab School	82	2	84
Librarians	88	2	90
Total Employees	16,367	11,556	27,923

[1] Includes OPS faculty, extension agents, adjunct faculty, administrative faculty, support faculty, and regular faculty.

Division of Student Affairs

As an integral part of the academic mission of the University of Florida, the Division of Student Affairs educates students to assume roles of leadership, involvement and service in a global community. The Division plays a vital role in creating and maintaining a healthy campus environment through services, programs and innovative learning experiences beyond the classroom.

The Division of Student Affairs has administrative responsibility for the following functional areas: Career Resource Center, Center for Leadership and Service, Counseling and Wellness Center, Dean of Students Office, Florida Opportunity Scholars Program, Gatorwell Health Promotion Services, Housing and Residence Education, Multicultural and Diversity Affairs, Off Campus Life, J. Wayne Reitz Union, Student Activities and Involvement, Recreational Sports, and Student Legal Services.

Through its various departments, the Division of Student Affairs sponsors several university-wide programs, activities, and services for students. These include programs for transitioning new students, such as Convocation, the Common Reading Program, and Preview (orientation); programs to support student success such as Career Showcase, the Health Hut, and intramural sports; and activities to enhance the student experience such as living-learning communities in the residence halls, community service opportunities, and involvement through more than 900 registered student organizations. Additionally, the Dean of Students Office and the Counseling and Wellness Center provide assistance for students in distress.

The Florida Opportunity Scholars Program is an initiative that was created in 2006 to ensure first-generation students from low income families have the resources they need to be academically successful at the University of Florida (UF). Admitted UF students whose annual family income is less than $40,000 are eligible for the program. Students in the program are able to graduate at the same rate, or in some cases faster, than the university's overall graduation rate due to the financial and personal support from UF. There are approximately 1,400 students on campus each year who are current Florida Opportunity Scholars.

Endowments and Fund Raising Efforts

The University of Florida Foundation, Inc. (the "Foundation") is a not-for-profit, tax exempt organization responsible for receiving, investing and administering private support for the University of Florida.

Created in 1934 as the "University of Florida Endowment Corporation," its scope and role expanded during the 1950's until the Foundation became the principal fund-management and fund-raising arm of the university. In 1964, the Board of Regents and the State of Florida certified the "University of Florida Foundation" as a direct support organization for the University of Florida. The Foundation is designated a charitable organization under section 501(c)(3) of the Internal Revenue Code.

Currently, the University of Florida receives about one-third of its annual operating budget from State tax and lottery revenues. Other sources of University of Florida income are tuition and fees; grants and contracts; income from operations and services; the spendable income from the endowment and private gifts.

In Fiscal Year 2012-13 the University received $211 million in voluntary private contributions. As of June 30, 2013, the total private endowment at the Foundation was $1.36 billion, while the total value of the assets managed by the Foundation was approximately $1.8 billion. The Foundation provided the University with $95 million in spendable income from gifts and endowments in Fiscal Year 2012-13.

The Foundation and the Office of Development and Alumni Affairs were responsible for the University's comprehensive seven-year capital campaign to strengthen University performance in strategic areas. The campaign began in July 2005 and concluded in October 2012. Generating $1.72 billion in private commitments from out-right gifts, pledges, gifts-in-kind, and deferred estate gifts, the University exceeded its $1.5 billion goal.

Private support increasingly is becoming important to the sustained quality of major public universities. The campaign for the University of Florida will strengthen an important partnership among the State's premier public research university and its constituents.

The Foundation and the Office of Development and Alumni Affairs support several programs through which University of Florida alumni and friends can participate in the life of a great institution.

- The University of Florida President's Council recognizes individuals, couples and organizations that support the University with a cumulative lifetime gift of $100,000.
- The Annual Fund drive, called the Florida Fund, offers donors the opportunity to contribute to a wide range of academic programs and purposes on campus, annually.
- There are more than 102 University of Florida Gator Clubs which help recruit students, fund scholarships and provide links to the University and to other University of Florida alumni and friends - 51 of these clubs exist outside of Florida, including 11 overseas.

The table below sets forth financial information relating to the University of Florida Foundation, Inc. for the Fiscal Years 2007-08 through 2012-13. The increase in liabilities from FY 2008-09 relates to the UF Foundation obtaining notes payable for the construction of a University administration building and the construction of two additional University buildings. The large fluctuations in revenues are directly related to the fluctuations of investment income in the endowment. The financial markets have fluctuated greatly over the last six years.

Fiscal Year	Assets*	Liabilities	Revenues	Expenditures
2007-08	$1,617,311,343	$48,035,754	$195,546,177	$116,785,361
2008-09	1,376,229,033	45,364,413	(59,216,620)	158,685,253
2009-10	1,510,515,496	73,757,696	232,757,769	124,664,535
2010-11	1,711,205,997	78,854,726	317,631,840	131,943,241
2011-12	1,694,623,812	70,003,110	125,601,298	123,039,694
2012-13	1,807,778,950	75,487,868	246,734,901	139,103,286

* Includes amounts held by the Foundation for the University of Florida.

Gifts received by the University of Florida Foundation are shown by restriction and giving program in the table below for the past five Fiscal Years. In Fiscal Year 2007-2008 the Foundation received $27.1 million in revenue from the State of Florida Gift Matching Program. The Gift Matching Program was temporarily suspended in 2011 and no further distributions from the program have been received since 2008. In Fiscal Year 2008-2009 the Foundation received two large gifts-in-kind. They have not received any large gifts-in-kind donations of that magnitude since. It is anticipated that gifts will remain around $100 million over the next few years, but this will be subject to the overall financial markets which impacts their donors. They anticipate the annual gifts to increase when the University capital campaign begins, (date is TBD) but that is at least two to three years away.

Gift Report
Current Receipts and Deferred Additions by Restriction and Giving Program
For the Twelve Month Period Ended June 30

Giving Program	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Total Unrestricted Gifts	$201,285	$189,581	$237,606	$193,821	$175,981	$100,643
Total Restricted Gifts	85,029,680	84,137,655	74,837,239	61,434,963	53,983,322	69,445,019
Total Endowments	60,093,756	46,371,956	30,607,907	44,731,498	46,275,602	40,031,456
Total Gifts Received	**$145,324,721**	**$130,699,192**	**$105,682,752**	**$106,360,282**	**$100,434,905**	**$109,577,118**

APPENDIX H

University of Florida Annual Financial Report 2011-2012

UF | UNIVERSITY of FLORIDA

The Foundation for The Gator Nation

Higher education has never been more critical to the future of this State, our country and the world.

Our great land-grant universities have a tremendous impact on the way we all experience our lives. As one of only six public research universities in the Nation with colleges of medicine, law, agricultural sciences and veterinary medicine on a single campus, the University of Florida is among the Nation's most academically and scientifically diverse.

If it's happening in higher education, chances are it's happening at UF.

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President's Message

J. Bernard Machen

President, University of Florida

As the year draws to a close, the pressures facing higher education have rarely been greater.

Concerns about sky-high student debt and graduates who are unable to find jobs continue to mount. Economically strapped states are divesting from their public universities. Internet startups are offering free online classes that are seen as possible competitors to those of traditional bricks-and-mortar institutions.

All of these circumstances would seem to pose significant threats to the University of Florida. To be sure, Florida's only top-20 public research university faces its share of challenges. But after nearly a decade of growth and change, UF is one of the nation's most comprehensive universities – with strengths ranging across the higher education spectrum. As a result, our University is better equipped than many peer universities to prosper in these uncertain times.

This is especially clear when it comes to the two most talked-about issues in higher education today – high tuition and student debt, and graduates' employability.

In a year when President Obama decried tuition increases in his State of the Union address, UF's annual tuition remained among the lowest of all public research universities in the nation – $6,143 for 2012. Additionally, UF ranks No. 1 among the 59 U.S. public universities in the Association of American Universities in the least student debt at graduation. Indeed, just 38 percent of our graduating class of 2010-11 graduated with education-related debt.

Even in uncertain times, UF remains steadfast in continuing to offer expanded access to higher education across the State of Florida, remarkably competitive value and an unwavering dedication to conduct the highest level of research.

To be sure, UF's affordability has serious shortcomings when it comes to operating the University, and we will continue to seek tuition increases. But at this moment in history – when affordability is such a key issue for families and public policy makers – it is an asset that maintains UF's tradition of keeping its doors open to students from all walks of life.

Parents and students concerned about debt are also understandably concerned about whether graduates can find jobs. UF's mission is much broader than workforce preparation. But several indicators suggest our performance in this area is excellent as well.

UF's first-ever university-wide exit survey of graduating students – conducted this spring amid a continued lackluster economy – found that nearly two-thirds of those who planned to enter the workforce had already accepted a full-time position before graduation. We learned that the College of Engineering is the source of the third-largest number of engineer hires at corporate giants Intel and ExxonMobil. And media organizations from The Today Show to Smart Money singled out UF as an excellent choice for career-minded students.

While student debt and workforce preparation have been recent lightning rods, State budget cuts to universities are an ongoing concern – with UF losing one-third of its State of Florida allocation from fiscal year 2007-08 through fiscal year 2012-13.

We have made up for the loss through

The University of Florida's offering of scholarships is where the roads to access and value intersect. In addition to the Office for Student Financial Affairs, scholarships are available in other departments, offices, individual colleges and schools throughout the University.

Spring 2013 welcomes the first enrollees to UF's Innovation Academy, which gives students a small-college experience focused on innovation, creativity, entrepreneurship, ethics, and leadership on a unique spring-summer calendar.

Research at the University of Florida continues to gather momentum, despite substantial economic challenges. More than 100 biotechnology companies have emerged as a result of UF research. UF faculty average an impressive 300 new inventions each year.

increased operational efficiencies, sound budgeting, and limited tuition increases. This year, we received a significant additional boost with the successful conclusion of Florida Tomorrow, UF's largest and most ambitious capital campaign ever.

Some 865,000 generous donors helped Florida Tomorrow top $1.7 billion – clearing the campaign's original goal by more than $200 million. Those dollars will not contribute directly to UF's operating budget, but they will help the University support faculty, programs, and facilities amid what is at best an uncertain future of public funding.

Another growing source of income is the patenting and licensing revenue from UF-developed technologies. The University's innovations brought home $34 million in the most recent fiscal year – all of it reinvested in UF startups and other elements of our innovation operation. We anticipate that our patenting and licensing income will continue to grow as UF's new business incubator, the Florida Innovation Hub, matures – and as established UF startups grow.

Nationally, other higher education issues range from the growth of distance learning to Federal research budgets that are essentially flat, threatening a key source of income.

UF is on solid ground in both arenas. We continue to grow our traditional online presence, now offering more than 100 degree programs that enroll approximately 7,000 students worldwide. At the same time, we became part of the rapidly evolving world of "massive open online courses" this spring when we joined Coursera, one of the leading providers of free and open online courses.

As for research, after nearly a decade of campus growth, we have 600,000 square feet of labs, greenhouses and other new basic research space. This past year, research contracts and grants to UF faculty soared from $619.1 million to $644.4 million, an increase of 4 percent and an all-time high in terms of regular funding.

There is no question that the higher education landscape is undergoing rapid change and that the University of Florida will face significant challenges in the years ahead. But with our continued emphasis on access, value, and research — three areas of the greatest change in higher education nationwide — we are well-prepared to continue to grow and prosper.

J. Bernard Machen

President, University of Florida

The University of Florida, despite competition from an exponentially growing number of four-year institutions, continues to garner more than its fair share of the State's and Nation's finest students.

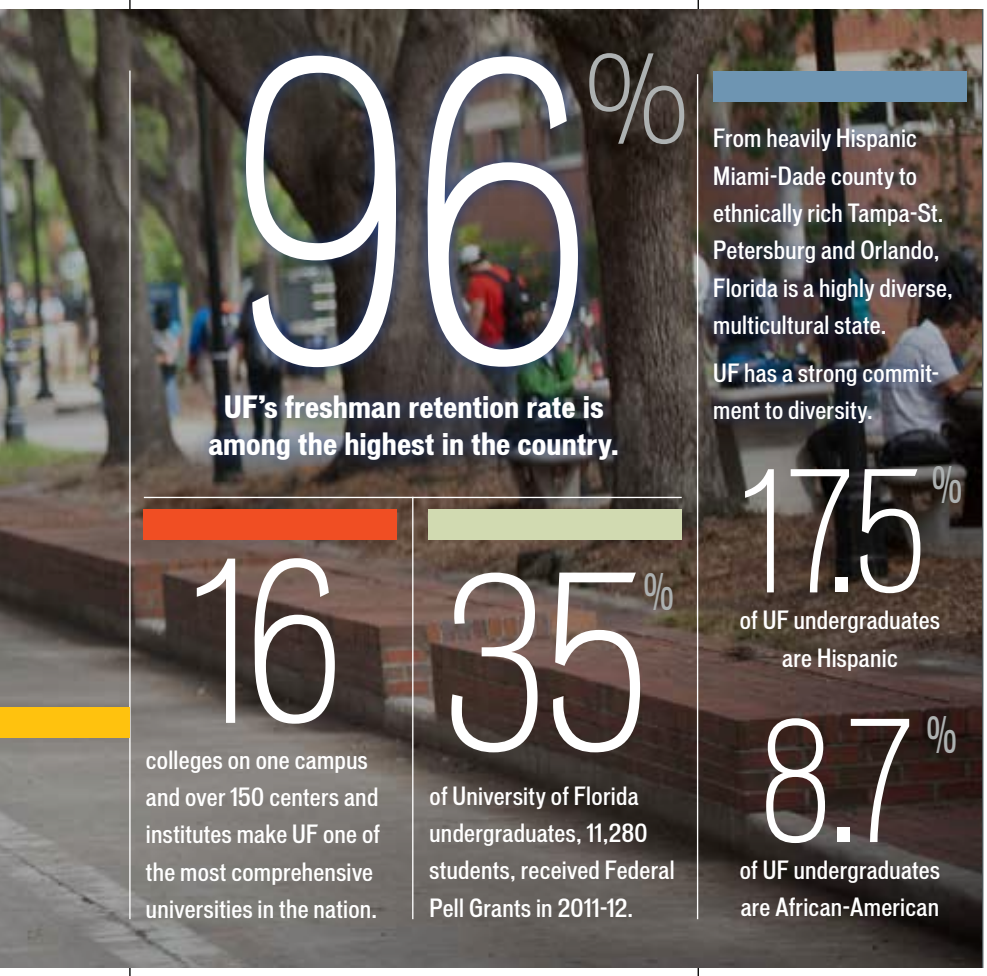
It's happening with access.

Every institution in higher education would like to tout its students as the "best and the brightest." Likewise, the best students have a strong desire to attend the finest universities. More than 90 percent of incoming freshmen score above the national average on standardized exams. The demand for a UF education continues to rise as well. Each year, UF averages 29,000 undergraduate applications for just 6,400 spots in the freshman class.

Just as other universities have realized the value of placing an increased emphasis on diversity and internationalization, UF continues to attract students from around the world. UF admitted 1,375 International Baccalaureate students last year — more than any other university in the U.S. Sixty-six Florida counties, every state in the nation and nearly 140 countries are represented in the UF student body. This continuously expanding internationalization provides a remarkably rich experience, exposing students to a variety of cultures and thereby

providing a greater understanding and appreciation of different ways of life.

Economic diversity is also reflected within the UF student body, thanks largely in part to the Florida Opportunity Scholars Program. Initiated with the 2006-07 school year, the program provides full grant/scholarship financial aid packages, including living expenses, to UF freshmen who are Florida residents and come from families in which neither parent holds a bachelor's degree and whose annual household income is less than $40,000. The program's ultimate goal is for students to earn a bachelor's degree and graduate with no student loan debt.



Once UF students arrive on campus, they tend to stay, as evidenced by our 96 percent freshmen retention rate – among the highest in the country – as well as our outstanding 65 percent 4-year and 83 percent 6-year graduation rates.

Personal access to educators is a growing concern for college students throughout the nation. By lowering our student/faculty ratio to 20.5: 1, we're making it possible for there to be more interaction.

For those students seeking to acquire a quality education off-campus, UF has a burgeoning distance learning online degree program. Ten years ago, the UF MBA Program was one of the first to be offered as a fully accredited online degree. Today we are known as the world's best, as we were ranked No. 1 by *The Economist*. And that is just one of more than 100 doctorate, master's and bachelor's degree distance learning programs we offer, giving a whole new meaning to the phrase "The Gator Nation Is Everywhere."

For UF, access includes our online MBA Program, offering one of the first fully accredited online degrees, and the Florida Opportunity Scholars Program, which enables deserving scholars to become Gator Scholars.

"Florida Tomorrow is a better place, a brighter day and a firm belief in the future... because of the rising star that is the University of Florida."

— *Bernie Machen, President*

It's happening in value.

A common thread in higher education today is the challenge of obtaining legislative funding and support. Because securing approval to adequately increase tuition to necessary levels is also a frequent hurdle, many universities are taking the initiative of becoming more financially independent and approaching the situation from an entrepreneurial standpoint. The University of Florida is certainly no exception.

UF demonstrated its foresight and drive by launching the Florida Tomorrow capital campaign in 2007, with the ambitious goal of raising $1.5 billion in private funds by fall 2012. The principal focus of the campaign was to help support faculty, students and research. The goal was not only reached, but surpassed at $1.7 billion.

UF also managed to double its endowment over an eight-year period, increasing from $585.7 million in June 2003 to $1.3 billion in June 2011.

Our research contracts and grants totaled $644.4 million during the last fiscal year. For fiscal year 2003-04, that number was $470.0 million. This marked increase should be encouraging to anyone who believes in the potential of exploration.

The University itself has grown in size, too. Despite losing a third of our State-allocated dollars over the six most recent fiscal years, UF has expanded its reach both literally and financially, with 3 million square feet of new construction since 2004, an annual economic impact approaching $9 billion and more than 106,000 jobs statewide.

The University of Florida remains highly competitive in terms of affordability among its peers, having been recognized as the second-best value in public colleges in the U.S. by Kiplinger's *Personal Finance* magazine each of the last seven years. Consequently, nearly two-thirds of UF graduates leave the University with no student loan debt. For the remaining third, their average debt is just under $17,000, compared with the national average of more than $25,000.

In all the ways we value and support higher education, and as they evolve, the University of Florida is looking ahead with the goal of creating the most impact possible – for our students and the people of the State of Florida.

As a top-20 research university and one of the biggest public universities in the country, UF's commitment to value is reflected in our tuition and endowment, student loan debt loads, and many prestigious national rankings.

Opportunities, challenges, exploration, discovery. Higher education embraces them all. More than ever, our leading universities clearly not only reflect what is going on in the nation but profoundly influence how we go about our daily lives. Nowhere is that more evident than at the University of Florida.

It's happening in research.

Simply looking at what the University has accomplished over the past ten years should give you an idea of the magnitude of progress we have made and our emphasis on innovation. State-of-the-art facilities and leading-edge technologies are not terms we use casually at UF. Our commitment to continuing our research can be seen in the number of buildings and laboratories that have been constructed .

Since 2003, UF has added four major research facilities that cover 600,000 square feet: The Nanoscale Research Facility, the Emerging Pathogens Institute, the Biomedical Sciences Building, and UF's largest research building, the Cancer and Genetics Research Building.

Much has been written about the amount of technology transfer at UF. And for good reason. We are the nation's top public institution in transferring research to the marketplace, according to the Milken Institute. We made our mark commercializing technologies with the

introduction of Gatorade in 1965. And we have been on the right track ever since.

One of the latest examples of tech transfer – Gator-style – is the Florida Innovation Hub at UF, which opened its doors in 2011 as the first building in Innovation Square, a 40-acre, urban, live/work/play research community. By providing resident businesses with office space, laboratories, conference rooms and other essential resources, this aptly named facility allows those companies to concentrate on the advancement of technology and marketing strategies. Already, 22 startup businesses are proud to call Innovation Hub home. The ultimate goal for these businesses is to "graduate" – or move out of the Innovation Hub – once they become self-sufficient.

UF Tech Connect, an Economic Development Administration University Center housed in the UF Office of Technology Licensing at Innovation Hub, was responsible for creating 230 new jobs last fiscal year alone. Innovation Academy, a unique spring-summer program will eventually enroll 2,000 students and increase their access to the University.

As the demand for food, water and natural resources grows right along with the population, so does the need for research to address these pressing concerns. The University of Florida's Institute of Food and Agricultural Sciences (UF/IFAS) is a Federal-State-County partnership dedicated to developing knowledge in agriculture, human and natural resources, and the life sciences, and enhancing and sustaining the quality of human life by making that information accessible. With an extension office in each of Florida's 67 counties, UF/IFAS is able to work with farmers and address their unique issues.

More than three million sq.ft. of new construction over the past decade includes the Research and Academic Center at Lake Nona (artist's rendering above) and the Emerging Pathogens Institute (below), representing UF's strong commitment to research.

Knowledge by the Numbers

Headcount Enrollment by Colleges and Schools – Fall Terms

College/School	2011	2010	2009	2008	2007
Accounting	865	905	871	897	925
Agricultural and Life Sciences	4,955	4,940	4,640	4,557	4,483
Building Construction	391	499	581	616	652
Business Administration	4,681	4,728	4,947	5,539	5,767
Dentistry	389	378	379	389	391
Design, Construction, and Planning	896	899	899	921	935
Division of Continuing Education (A)	179	215	259	275	349
Education	1,749	1,886	1,919	1,940	1,947
Engineering	8,454	8,240	7,880	7,696	7,118
Fine Arts	1,256	1,309	1,284	1,254	1,264
Forest Resources and Conservation	-	-	222	215	222
Health and Human Performance	2,047	2,008	1,908	1,970	2,135
High School	52	47	44	33	52
Interdisciplinary Ecology	116	127	135	131	148
Journalism and Communications	2,540	2,516	2,663	2,957	2,987
Law	1,118	1,191	1,263	1,340	1,422
Liberal Arts and Sciences	12,673	12,817	13,368	14,315	14,364
Medicine	862	853	967	867	850
Multiple-College Program	1	1	2	-	-
Natural Resources and Environment	155	154	158	142	122
Nursing	1,170	1,090	1,188	1,160	1,111
Pharmacy	823	836	761	689	656
Pharmacy Doctor	1,686	1,752	1,891	1,841	1,913
Physician Assistant Program	119	119	119	119	121
Public Health & Health Professions	2,122	2,139	1,971	1,803	1,881
Veterinary Medicine	542	530	525	507	520
SUB-TOTAL	**49,841**	**50,179**	**50,844**	**52,173**	**52,335**
Minus Concurrent Degree	**56**	**63**	**60**	**61**	**64**
TOTAL	**49,785**	**50,116**	**50,784**	**52,112**	**52,271**

(A) Includes Continuing Education and correspondence courses for students not enrolled in a college.

Source: Office of Institutional Planning and Research - UF Facts

Degrees Awarded by Type of Degree

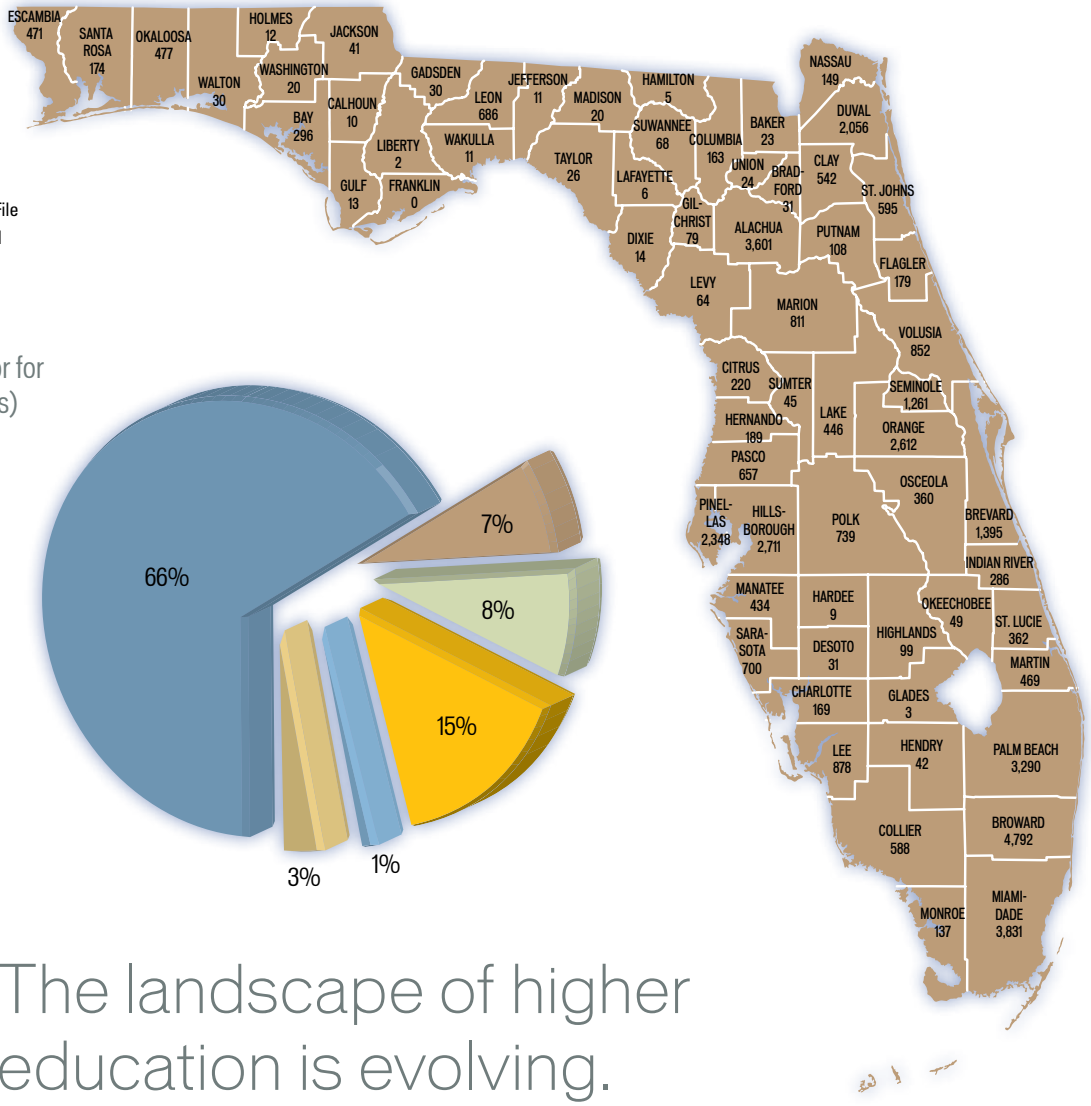
Degree	2011-12	2010-11	2009-10	2008-09	2007-08
Bachelor's	8,600	8,685	9,302	9,207	8,737
Master's	3,924	3,878	3,751	3,546	3,337
Doctor of Philosophy	859	936	957	841	857
Doctor of Pharmacy	461	484	483	474	492
Juris Doctor	334	410	377	424	488
Doctor of Medicine	134	127	130	124	115
Doctor of Dental Medicine	82	83	91	81	72
Doctor of Veterinary Medicine	84	87	89	84	83
Specialist in Education	71	70	111	73	61
Engineer	-	-	-	1	2
TOTAL	**14,549**	**14,760**	**15,291**	**14,855**	**14,244**

Source: UF Office of Institutional Planning and Research

In-State Enrollment by County - Fall 2011

Total In-State Enrollment: 40,852

Source: Fall Final Student Data Course File
Prepared by the UF Office of Institutional Planning & Research



Research Awards by Sponsor for 2011-12 fiscal year (in millions)

- Federal Agencies $423,115,544
- Florida State Agencies $42,045,915
- Corporations & Companies $54,537,922
- Foundations & Societies $96,019,679
- Local & Regional $6,465,707
- All Other Sources $22,200,064

TOTAL $644,384,831

The landscape of higher education is evolving.

Because of our relentless commitment to access, value, and research, one thing is clear: *If it's happening in higher education, chances are it's happening at UF, right now, and moving forward.*

The nation's universities must continue to adapt in order to retain their relevance and achieve their individual missions.

The University of Florida will always welcome the challenges and opportunities that a modern major research institution encounters, and prove just how much progress can be made under a variety of circumstances.

We will continue to provide students access to an outstanding learning experience. Our ongoing focus on creative and aggressive funding efforts will keep adding value. And raising the bar in research will remain a UF priority.

We've created an environment of self-assurance and a growing innovation enterprise, both of which are reflected not just on campus, but also among businesses, leaders and jobs throughout the State.

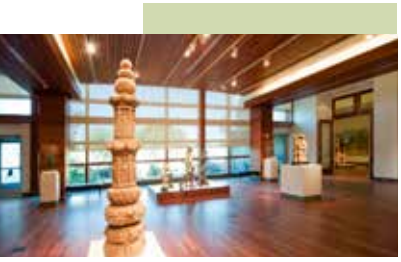
Introduction from the Vice President and Chief Financial Officer

I am pleased to present the University of Florida's Annual Financial Report for the fiscal year ended June 30, 2012. This report provides useful information concerning the University's financial position and activities for the year. The Management Discussion and Analysis, the financial statements and the notes to the financial statements document the University's financial success and health for this year.

It is a testament to the University of Florida's leadership, faculty, staff, and students that we had a successful year. The University of Florida is resilient. Despite six straight years of declining State appropriations, budget cuts and a sluggish economy, the University continues to adapt and transform itself to meet the needs of its students and its mission.

During the six most recent fiscal years, State of Florida appropriations have declined by 30.5%, or $202 million. In an effort to mitigate those losses, we have increased operational efficiencies, held true to sound budgeting principles, and had limited tuition increases. Tuition has increased $125 million since fiscal year 2007-08. The tuition increases helped, but they did not cover the remaining $77 million in lost State support.

Even with the tuition increases, the University continues to be a great value for the investment and among the lowest for cost of attendance of all public research universities nationwide. Additionally, despite the tuition increases, only 38 percent of our graduating class of 2010-11



graduated with education-related debt.

The University strives to maintain its beautiful and historic campus while the State of Florida has significantly reduced the amount of support for capital projects, including Public Education Capital Outlay (PECO) funding, available to the University. In addition, State facility and operating matching programs have been suspended.

Without capital funding, other significant resources were diverted from other uses in order to maintain the facilities necessary for fulfilling instruction, research and clinical needs. During the 2011-12 fiscal year, Student Housing issued the 2011A Housing debt to refinance the 1998 Housing debt and issued new 2012 Housing debt for 14 different renovation projects in the dormitories.

Buildings that were completed illustrate the University's diverse nature. Completed projects include Florida Innovation Hub at UF, Harn Museum Asian Art Wing, Veterinary Education & Clinical Research Center, and Cellulosic Ethanol Plant.

Continuing construction projects further illustrate the important work being done by the University. The Lake Nona Research Facility and the Clinical Translational Research Building joined with the Institute on Aging Research Building will be completed in 2013. The P.K. Yonge Developmental School and the East Campus Data Center are exciting projects that are also in progress. As you will see in Table 20, Construction Commitments, the number of projects and the dollars committed have significantly declined as the University winds down projects previously funded through the State.

The Office of the Vice President and Chief Financial Officer will continue to enhance the Responsibility Center Management budget process. A major upgrade to the Payroll and Human Resources system went live September 18, 2012. We will continue to utilize technology to stay current and improve efficiencies. While we continue to be challenged to do more with less, we remain committed to effectively managing the University's assets and facilitating the business needs as this University continues its move to being the best it can be.

Matthew M. Fajack
Vice President and
Chief Financial Officer

AUDITOR GENERAL
STATE OF FLORIDA

DAVID W. MARTIN, CPA
AUDITOR GENERAL

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

PHONE: 850-488-5534
FAX: 850-488-6975

The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

INDEPENDENT AUDITOR'S
REPORT ON FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the University of Florida, 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 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. The prior fiscal year partial comparative information was derived from the University's 2010-11 financial statements and, in our report dated March 19, 2012, we expressed an unqualified opinion on the respective financial statements.

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 the University of Florida 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.

The financial statements include prior fiscal year partial comparative information. Such information does not include all of the information required to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the University's financial statements for the fiscal year ended June 30, 2011, from which the partial information was derived.

In accordance with *Government Auditing Standards*, we have also issued a report on our consideration of the University of Florida'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** and the **OTHER 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The President's Message, the University of Florida Overview, the Introduction from the Vice President and Chief Financial Officer, and the supplemental information for financial aid administered, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The President's Message, the University of Florida Overview, the Introduction from the Vice President and Chief Financial Officer, and the supplemental information for financial aid administered have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Respectfully submitted,

David W. Martin, CPA
December 13, 2012
Audit Report No. 2013-063

Management's Discussion and Analysis

From the Vice President and Chief Financial Officer

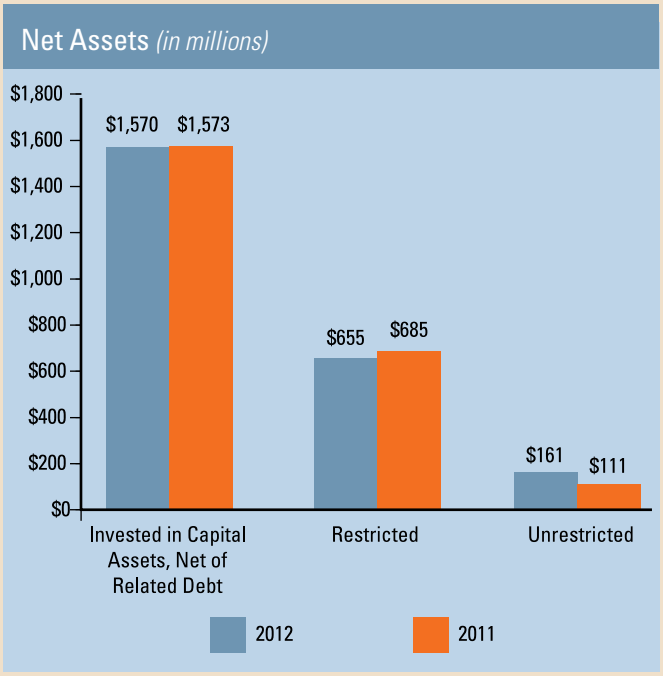
INTRODUCTION AND BACKGROUND

The Management's Discussion and Analysis (MD&A) provides an overview of the financial position and activities of the University of Florida (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

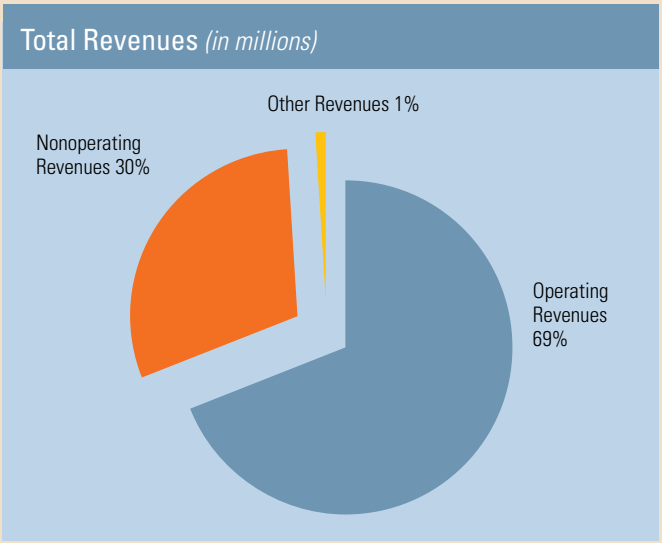
The University's assets totaled $2.99 billion at June 30, 2012. This balance reflects a $14.8 million, or 0.5%, decrease from the 2010-11 fiscal year. The reduction in assets primarily resulted from a decrease in the amount Due From State as several large construction projects have been completed. While total assets declined, liabilities also declined by $31.8 million or 5.0%, totaling $606.3 million at June 30, 2012. The net decrease in liabilities is due primarily to a decrease of $80.1 million in Compensated Absences Payable as a result of revised regulations for vacation and sick leave cash outs; increase in Postemployment Benefits Payable of $36.4 million; and an increase in Capital Improvement Debt Payable of $21.8 million to renovate housing dormitories. As a result, the University's net assets increased by $17.0 million, or 0.7%, reaching a year-end balance of $2.4 billion. 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 chart:



The University's operating revenues totaled $1.6 billion for the 2011-12 fiscal year, representing a 1.6% increase over the 2010-11 fiscal year. Major components of operating revenues are Student Tuition and Fees and Grants and Contracts. Student Tuition and Fees, Net of Scholarship Allowances, increased $44.4 million, or 16.1%, because of tuition and fee increases. Nongovernmental Grants and Contracts revenue decreased by $25.0 million, or 4.0%, because certain transfers from component units were determined to be nonexchange transactions and are reported as nonoperating revenue.

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



Operating Expenses totaled $2.2 billion for the 2011-12 fiscal year, representing a $76.7 million decrease or 3.3% compared to the 2010-11 fiscal year. The two largest categories contributing to this decrease were Employee Compensation and Benefits, reflecting changes in the University's leave regulations and the reduction in employer retirement contributions, as well as Scholarships, Fellowships and Waivers, Net, reflecting the State's decrease in funding of Bright Futures and decreases in various federally funded scholarship programs.

Net Nonoperating Revenues and Expenses in the 2011-12 fiscal year decreased $103.5 million primarily due to the changes in capitalization thresholds for certain capital assets, a decrease in Noncapital State Appropriations, a decrease in State and Federal financial aid, and the end of funding under the American Recovery and Reinvestment Act of 2009.

The University had significant construction activity during the year. Completed or substantially competed construction projects included: (1) Cellulosic Ethanol Plant (capitalized costs of $18.6 million); (2) Harn Museum Asian Art Wing (capitalized costs of $18.2 million); and (3) Florida Innovation Hub at UF (capitalized costs of $13.5 million). Construction continues on several major projects, including four that, when finished, will be capitalized at over $114 million: (1) Lake Nona Research Facility; (2) Clinical Translational Research Building (this project includes the Institute on Aging Research Building); (3) East Campus Data Center; and (4) Chemistry Biology Building.

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:

Direct-Support Organizations – These are separate, not-for-profit corporations organized and operated exclusively to assist the University in achieving excellence by providing supplemental resources from private gifts, bequests, and valuable education support services.

Health Science Center Affiliates – These are the several corporations closely affiliated with the University of Florida J. Hillis Miller Health Science Center, including the Faculty Practice Plans.

Shands Hospital and Others – This includes Shands Teaching Hospital and Clinics, Inc., a not-for-profit corporation that is contractually obligated to manage, operate, maintain, and insure the hospital facilities in support of the programs of the Health Science Center at the University of Florida.

Information regarding the discretely presented component units, including summaries of their separately issued financial statements, is presented in Notes 1, 3, 4, 7, 10, 13, and 20 to the financial statements. This MD&A focuses on the University, excluding the component units. MD&A information regarding the component units is included in their separately issued audit reports, if reporting under GASB standards. Component units reporting under Financial Accounting Standards Board (FASB) standards do not include an MD&A in their audit reports.

Based upon the application of criteria for determining component units, the University of Florida Self-Insurance Program (the Program), and the University of Florida Healthcare Education Insurance Corporation (HEIC), are included within the University reporting entity as blended component units. Additional information regarding the blended component units is presented in Note 1 to the financial statements.

The financial statements characterize revenues and expenses as either operating or nonoperating. The principal component of operating revenues is Grants and Contracts ($1.1 billion). The principal component of operating expenses is Employee Compensation and Benefits ($1.5 billion). A significant portion of the University's anticipated, recurring resources is considered nonoperating as defined by GASB Statement No. 35. The principal component of nonoperating revenues for the fiscal year ended June 30, 2012, is Noncapital State Appropriations ($527.9 million). Recurring nonoperating expenses consist primarily of the loss on disposal of capital assets and interest expense on capital related debt for the fiscal year ended June 30, 2012.

Two changes were made by the University in the 2011-12 fiscal year. The first resulted in a new nonoperating revenue category, Noncapital Grants, Contracts, and Gifts ($81.1 million). Certain transfers from component units which were previously reported as operating Nongovernmental Grants and Contracts, were determined to be nonexchange transactions, and are now reported in this new category. The second was a change to certain of the University's capitalization thresholds effective July 1, 2011. The net amount of $61.2 million was recorded as Other Nonoperating Expenses and the related assets were removed from the University's accounting records.

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. Net Assets, the difference between total assets and total liabilities, 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 table summarizes the University's assets, liabilities, and net assets at June 30:

Condensed Statement of Net Assets *(in millions)*

	2011-12	2010-11
Assets:		
Current Assets	$ 1,187.4	$ 1,200.2
Capital Assets, Net	1,665.7	1,663.3
Other Noncurrent Assets	139.5	143.9
Total Assets	2,992.6	3,007.4
Liabilities:		
Current Liabilities	183.2	200.7
Noncurrent Liabilities	423.1	437.4
Total Liabilities	606.3	638.1
Net Assets:		
Invested in Capital Assets, Net of Related Debt	1,570.4	1,573.2
Restricted	654.7	684.7
Unrestricted	161.2	111.4
Total Net Assets	**$ 2,386.3**	**$ 2,369.3**

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

Condensed Statement of Revenues, Expenses, and Changes in Net Assets *(in millions)*

	2011-12	2010-11
Operating Revenues	$ 1,557.5	$ 1,532.8
Operating Expenses	(2,244.5)	(2,321.2)
Operating Loss	(687.0)	(788.4)
Net Nonoperating Revenues	682.0	785.5
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	(5.0)	(2.9)
Other Revenues, Expenses, Gains, or Losses	22.0	75.1
Increase in Net Assets	**17.0**	**72.2**
Net Assets – Beginning of Year	**2,369.3**	**2,297.1**
Net Assets – End of Year	**$ 2,386.3**	**$ 2,369.3**

OPERATING REVENUES

GASB Statement No. 35 categorizes revenues as either operating or nonoperating. Operating revenues generally result from exchange transactions where each of the parties to the transaction either gives up or receives something of equal or similar value. The following table summarizes the operating revenues by source that were used to fund operating activities during the 2011-12 and 2010-11 fiscal years:

Operating Revenues *(in millions)*

	2011-12	2010-11
Grants and Contracts	$ 1,056.5	$ 1,070.5
Student Tuition and Fees, Net of Scholarship Allowances	320.5	276.1
Sales and Services of Auxiliary Enterprises	129.4	136.6
Sales and Services of Educational Departments	47.8	45.6
Other	3.3	4.0
Total Operating Revenues	**$ 1,557.5**	**$ 1,532.8**

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 the natural classifications. The University has chosen to report the expenses in their natural classifications on the Statement of Revenues, Expenses, and Changes in Net Assets and has displayed the functional classifications below and in the notes to the financial statements. The following table summarizes the operating expenses for each method of classification for the 2011-12 and 2010-11 fiscal years:

Operating Expenses *(in millions)*

Natural Classifications	2011-12	2010-11
Employee Compensation and Benefits	$ 1,522.9	$ 1,583.1
Services and Supplies	446.6	434.2
Depreciation	116.7	126.6
Scholarships, Fellowships and Waivers *	80.8	98.6
Utilities and Communications	65.7	67.7
Self-Insured Claims and Expenses	11.8	11.0
Total Operating Expenses	**$ 2,244.5**	**$ 2,321.2**

Functional Classifications	2011-12	2010-11
Instruction	$ 634.1	$ 662.3
Research	545.3	556.8
Public Service	385.2	359.6
Academic Support	150.8	149.5
Auxiliary Operations	124.5	124.0
Depreciation	116.7	126.6
Institutional Support	107.1	122.7
Operation and Maintenance of Plant	106.7	107.7
Scholarships, Fellowships and Waivers *	53.7	75.9
Student Services	20.4	36.1
Total Operating Expenses	**$ 2,244.5**	**$ 2,321.2**

** Net of Scholarship Allowances of $141.6 million in the 2011-12 fiscal year and $148.4 million in the 2010-11 fiscal year.*

NONOPERATING REVENUES AND EXPENSES

Certain revenue sources that the University relies on to provide funding for operations, including Noncapital State 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 University experienced a decrease in appropriations as well as the one-time expense associated with the changes in capitalization thresholds, reported as Other Nonoperating Expenses. While Noncapital Grants, Contracts, and Gifts increased due to the change in reporting certain transfers from component units, the net effect of these changes reduced net nonoperating revenue. 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
Noncapital State Appropriations	$ 527.9	$ 579.1
State Appropriated - ARRA Funds	2.4	30.9
Federal and State Student Financial Aid	116.2	147.3
Noncapital Grants, Contracts, and Gifts	81.1	-
Investment Income, Net of Expenses	24.1	27.5
Increase in Fair Market Value of Investments	2.3	16.8
Loss on Disposal of Capital Assets	(2.6)	(5.3)
Interest on Capital Asset-Related Debt	(5.5)	(4.4)
Other Nonoperating Expenses	(63.9)	(6.4)
Net Nonoperating Revenues (Expenses)	**$ 682.0**	**$ 785.5**

OTHER REVENUES, EXPENSES, GAINS, OR LOSSES

This category is composed of Capital State Appropriations and Capital Grants, Contracts, Donations, and Student Fees. The University received dramatically less in Capital State Appropriations due to State budget constraints. 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
Capital State Appropriations	$ 6.1	$ 60.2
Capital Grants, Contracts, Donations, and Student Fees	15.9	14.9
Total Other Revenues, Expenses, Gains, or Losses	**$ 22.0**	**$ 75.1**

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 and related financing activities include activities of the capital funds and related long-term debt. Cash flows from investing activities show the net source and use of cash related to the purchases and sales of investments and income earned on those investments. Cash flows from noncapital financing activities include those activities not covered in the other sections.

Major sources of funds came from Noncapital State Appropriations ($527.9 million), net student tuition and fees ($316.4 million), grants and contracts ($1,043.1 million), and sales and services of auxiliary enterprises ($117.2 million). Major uses of funds were for payments to employees ($1,563.1 million), payments to suppliers for goods and services ($503.1 million), and purchase or construction of capital assets ($179.5 million). The following table 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	$ (627.1)	$ (663.7)
Noncapital Financing Activities	728.6	761.5
Capital and Related Financing Activities	(110.7)	(80.1)
Investing Activities	8.2	(17.1)
Net Change in Cash and Cash Equivalents	**(1.0)**	**0.6**
Cash and Cash Equivalents, Beginning of Year	**1.5**	**0.9**
Cash and Cash Equivalents, End of Year	**$ 0.5**	**$ 1.5**

CAPITAL ASSETS, CAPITAL EXPENSES AND COMMITMENTS, AND DEBT ADMINISTRATION

CAPITAL ASSETS

At June 30, 2012, the University had approximately $3.2 billion in capital assets, less accumulated depreciation of $1.5 billion, for net capital assets of $1.7 billion. Depreciation charges for the current fiscal year totaled $116.7 million. The following table summarizes the University's capital assets, net of accumulated depreciation, at June 30:

Total Capital Assets, Net *(in millions)*

	2012	2011
Land	$ 10.8	$ 10.8
Buildings	1,253.3	1,198.1
Infrastructure and Other Improvements	40.9	40.9
Furniture and Equipment	190.0	248.1
Library Resources	58.7	60.2
Property Under Capital Lease	6.2	6.4
Computer Software	-	2.2
Other Capital Assets	4.1	6.0
Construction in Progress	101.7	90.6
Total Capital Assets (Non-Depreciable and Depreciable, Net)	**$ 1,665.7**	**$ 1,663.3**

Additional information about the University's capital assets is presented in Note 9 to the financial statements.

CAPITAL EXPENSES AND COMMITMENTS

Major capital expenses through June 30, 2012, were incurred on the following continuing projects:

Lake Nona Research Facility ($43.5 million); Clinical Translational Research Building/Institute on Aging Research Building ($13.5 million); P.K. Yonge Developmental School ($7.2 million); and Chemistry Biology Building ($5.1 million).

The University's major capital commitments at June 30, 2012, are summarized below:

Major Capital Commitments *(in millions)*

	Amount
Total Commitment	$ 182.5
Completed to Date	101.7
Balance Committed	**$ 80.8**

Additional information about the University's capital commitments is presented in Note 16 to the financial statements.

DEBT ADMINISTRATION

At June 30, 2012, the University had $131.4 million in outstanding Capital Improvement Debt Payable, Capital Leases Payable, and Installment Purchase Agreements Payable, representing an increase of $21.5 million, or 19.6%, from the prior fiscal year. The following table summarizes the outstanding capital asset-related debt by type of debt at June 30:

Capital Asset-Related Debt *(in millions)*

	2012	2011
Capital Improvement Debt	$ 126.3	$ 104.5
Capital Leases	3.2	3.3
Installment Purchase Agreements	1.9	2.1
Total Capital Asset-Related Debt	**$ 131.4**	**$ 109.9**

Additional information about the University's capital asset-related debt is presented in Note 13 to the financial statements.

ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

The Florida Legislative Office of Economic and Demographic Research published the State of Florida's Long-Range Financial Outlook in the fall of 2012. This report indicates that while a Florida recovery has been underway since the late spring of 2010, the State still has far to go to return to more typical economic conditions.

This forecast is cautiously optimistic that the recovery will steadily continue, although at a slower pace than originally projected. Several years of modest growth are expected until fiscal year 2015-16 when more normal conditions are expected. The pace of Florida's recovery will be driven in large part by the time it takes for the construction industry to recover along with a tandem recovery in the jobs sector.

In light of the Federal Government passing the Patient Protection and Affordable Care Act of 2010 with its known and unknown costs, along with the State's bonding capacity being reached, and continuing budget reductions from the State, budget pressures continue for the State of Florida and the University. In an effort to control costs, UF is moving toward having more flexibility over the healthcare options available to employees.

Through the introduction of GatorCare, a consolidated group health insurance plan available to eligible employee groups, the University will have local control over healthcare design, costs, and options available to employees. During calendar year 2013, GatorCare will be offered to approximately 16,000 employees of component units, University graduate assistants, and postdoctoral personnel. GatorCare not only allows flexibility in offering benefits to these employees, but should result in cost efficiencies as well.

REQUESTS FOR INFORMATION

Questions concerning information provided in the MD&A or other required supplementary information, and financial statements and notes thereto, or requests for additional financial information should be addressed to Michael V. McKee, Assistant Vice President and University Controller, P. O. Box 113200, Gainesville, Florida 32611.

STATEMENT OF NET ASSETS as of June 30, 2012 *(amounts expressed in thousands)*

	University of Florida		Component Units (FYE in 2012)		
	2012	2011	Direct-Support Organizations	Health Science Center Affiliates	Shands Hospital and Others
ASSETS					
Current Assets:					
Cash and Cash Equivalents (Note 1)	$ 503	$ 1,531	$ 28,478	$ 65,336	$ 58,303
Investments (Note 4)	987,024	978,644	207,149	6,438	224,083
Accounts Receivable, Net (Note 5)	145,382	118,336	122,624	56,756	211,913
Loans and Notes Receivable, Net (Note 5)	3,155	3,082	106	-	-
Due From State (Note 6)	31,535	79,385	-	-	6,885
Due From Component Units/University (Note 7)	13,320	11,625	8,270	9,116	5,811
Inventories (Note 8)	4,680	4,865	855	-	21,750
Other Current Assets	1,824	2,781	6,447	4,809	50,299
Total Current Assets	**1,187,423**	**1,200,249**	**373,929**	**142,455**	**579,044**
Noncurrent Assets:					
Restricted Cash and Cash Equivalents (Note 1)	16	8	-	1,501	-
Restricted Investments (Note 4)	100,878	105,695	1,563,638	21,450	195,584
Loans and Notes Receivable, Net (Note 5)	37,491	37,314	-	-	-
Depreciable Capital Assets, Net (Note 9)	1,549,324	1,557,991	169,661	32,454	780,353
Nondepreciable Capital Assets (Note 9)	116,369	105,301	74,568	25,280	120,802
Other Noncurrent Assets	1,126	854	1,593	7,591	300,258
Total Noncurrent Assets	**1,805,204**	**1,807,163**	**1,809,460**	**88,276**	**1,396,997**
TOTAL ASSETS	**$ 2,992,627**	**$ 3,007,412**	**$ 2,183,389**	**$ 230,731**	**$ 1,976,041**
LIABILITIES					
Current Liabilities:					
Accounts Payable	$ 75,033	$ 61,620	$ 16,115	$ 31,561	$ 188,974
Salaries and Wages Payable	19,266	15,742	2,669	1,229	63,191
Due To Component Units/University (Note 7)	14,863	28,901	39,829	7,299	9,387
Deferred Revenue (Note 11)	25,575	28,958	84,592	11	58
Deposits Held in Custody	9,610	7,773	305	28	-
Other Current Liabilities (Note 12)	8,349	23,408	15,735	257	32
Long-Term Liabilities - Current Portion: (Note 13)					
Capital Improvement Debt Payable	6,919	5,193	-	-	-
Bonds Payable	-	-	4,995	1,109	28,327
Installment Purchase Agreements Payable	868	978	-	-	-
Capital Leases Payable	74	114	-	123	2,777
Compensated Absences Payable	7,243	11,860	279	6,767	-
Liability for Self-Insured Claims	15,440	16,120	-	-	-
Total Current Liabilities	**183,240**	**200,667**	**164,519**	**48,384**	**292,746**
Noncurrent Liabilities: (Note 13)					
Capital Improvement Debt Payable	119,365	99,314	-	-	-
Bonds Payable	-	-	117,895	12,348	583,898
Installment Purchase Agreements Payable	1,077	1,092	-	-	-
Capital Leases Payable	3,076	3,197	-	352	7,606
Compensated Absences Payable	90,621	166,071	3,272	-	-
Other Postemployment Benefits Payable	102,458	66,062	-	-	1,751
Liability for Self-Insured Claims	87,392	82,287	-	-	-
Other Noncurrent Liabilities	19,106	19,425	36,046	-	102,549
Total Noncurrent Liabilities	**423,095**	**437,448**	**157,213**	**12,700**	**695,804**
TOTAL LIABILITIES	**606,335**	**638,115**	**321,732**	**61,084**	**988,550**
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	1,570,417	1,573,215	115,121	44,669	321,357
Restricted:					
Nonexpendable:					
Endowment	-	-	1,127,322	-	97
Expendable:					
Endowment	-	-	213,943	-	12,593
Loans	36,065	33,935	-	-	-
Capital Projects	47,251	105,522	-	-	-
Debt Service	5,289	4,863	-	-	-
Other	566,081	540,347	294,400	1,500	-
Unrestricted	161,189	111,415	110,871	123,478	653,444
TOTAL NET ASSETS	**2,386,292**	**2,369,297**	**1,861,657**	**169,647**	**987,491**
TOTAL LIABILITIES AND NET ASSETS	**$ 2,992,627**	**$ 3,007,412**	**$ 2,183,389**	**$ 230,731**	**$ 1,976,041**

The accompanying notes are an integral part of these financial statements.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS for the Fiscal Year Ended June 30, 2012

(amounts expressed in thousands)

	University of Florida		Component Units (FYE in 2012)		
	2011-12	2010-11	Direct-Support Organizations	Health Science Center Affiliates	Shands Hospital and Others
OPERATING REVENUES					
Student Tuition and Fees	$ 462,050	$ 424,462	$ -	$ -	$ -
Scholarship Allowances	(141,554)	(148,351)	-	-	-
Student Tuition and Fees, Net of Scholarship Allowances	320,496	276,111	-	-	-
Federal Grants and Contracts	408,728	392,326	-	-	-
State and Local Grants and Contracts	43,085	48,431	-	-	-
Nongovernmental Grants and Contracts	604,723	629,771	-	-	-
Sales and Services of Auxiliary Enterprises (Note 14)	129,369	136,634	-	-	-
Sales and Services of Educational Departments	47,771	45,643	-	-	-
Sales and Services of Component Units	-	-	119,195	-	-
Hospital Revenues	-	-	-	514,131	1,576,713
Gifts and Donations - Component Units	-	-	83,794	11,644	-
Royalties and Licensing Fees - Component Units	-	-	33,322	-	1,289
Interest on Loans and Notes Receivable	998	1,007	-	-	-
Other Operating Revenues	2,288	2,824	12,196	4,167	25,704
Total Operating Revenues	**1,557,458**	**1,532,747**	**248,507**	**529,942**	**1,603,706**
OPERATING EXPENSES					
Employee Compensation and Benefits	1,522,935	1,583,100	-	-	-
Services and Supplies	446,578	434,167	-	-	-
Utilities and Communications	65,675	67,693	-	-	-
Scholarships, Fellowships and Waivers, Net	80,810	98,600	-	-	-
Depreciation	116,697	126,568	9,086	6,915	74,152
Self-Insured Claims and Expenses	11,803	11,030	-	-	-
Other Component Unit Operating Expenses	-	-	284,422	220,619	1,354,729
Total Operating Expenses (Note 19)	**2,244,498**	**2,321,158**	**293,508**	**227,534**	**1,428,881**
Operating Income (Loss)	**(687,040)**	**(788,411)**	**(45,001)**	**302,408**	**174,825**
NONOPERATING REVENUES (EXPENSES)					
Noncapital State Appropriations	527,880	579,123	-	-	4,000
Federal and State Student Financial Aid	116,178	147,345	-	-	-
State Appropriated American Recovery and Reinvestment Act Funds	2,384	30,923	-	-	-
Noncapital Grants, Contracts, and Gifts	81,077	-	-	-	-
Investment Income	26,156	29,099	7,328	449	13,915
Net Increase (Decrease) in the Fair Value of Investments	2,355	16,812	(6,781)	(3)	180
Investment Expenses	(2,097)	(1,656)	-	-	-
Gain (Loss) on Disposal of Capital Assets	(2,573)	(5,331)	2	(60)	496
Interest on Capital Asset-Related Debt	(5,483)	(4,464)	(3,894)	(90)	(16,002)
Other Nonoperating Expenses	(63,852)	(6,389)	(9,327)	(405,684)	(61,430)
Net Nonoperating Revenues (Expenses)	**682,025**	**785,462**	**(12,672)**	**(405,388)**	**(58,841)**
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	**(5,015)**	**(2,949)**	**(57,673)**	**(102,980)**	**115,984**
Capital State Appropriations	6,060	60,259	-	-	-
Capital Grants, Contracts, Donations, and Student Fees	15,950	14,890	-	-	-
Additions to Permanent Endowments	-	-	45,233	-	-
Transfers from/(to) Component Units	-	-	11,913	88,148	(53,290)
Total Other Revenues, Expenses, Gains, or Losses	**22,010**	**75,149**	**57,146**	**88,148**	**(53,290)**
Increase (Decrease) in Net Assets	**16,995**	**72,200**	**(527)**	**(14,832)**	**62,694**
Net Assets, Beginning of Year	**2,369,297**	**2,297,097**	**1,862,184**	**184,493**	**924,574**
Adjustment to Beginning Net Assets (Note 3)	-	-	-	(14)	223
Adjusted Net Assets, Beginning of Year, as Restated	**2,369,297**	**2,297,097**	**1,862,184**	**184,479**	**924,797**
Net Assets, End of Year	**$ 2,386,292**	**$ 2,369,297**	**$ 1,861,657**	**$ 169,647**	**$ 987,491**

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS as of June 30, 2012 *(amounts expressed in thousands)*

	University of Florida	
	2011-12	**2010-11**
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and Fees, Net	$ 316,411	$ 275,625
Grants and Contracts	1,043,057	1,067,675
Sales and Services of Auxiliary Enterprises	117,239	138,584
Sales and Services of Educational Departments	47,609	45,625
Repayment of Loans and Notes Receivable from Students	5,962	6,812
Interest on Loans Receivable	786	2,016
Other Operating Receipts	2,447	1,705
Payments to Employees	(1,563,109)	(1,579,905)
Payments to Suppliers for Goods and Services	(503,087)	(498,189)
Payments to Students for Scholarships and Fellowships	(80,810)	(98,601)
Loans Issued to Students	(6,213)	(5,439)
Payments on Self-Insured Claims and Expenses	(7,378)	(19,612)
Net Cash Used by Operating Activities	**(627,086)**	**(663,704)**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Noncapital State Appropriations	527,880	588,229
Federal and State Financial Aid	116,178	147,345
State Appropriated American Recovery and Reinvestment Act Funds	2,384	30,923
Noncapital Grants, Contracts, and Gifts	81,077	-
Direct Loan Program Receipts	245,805	230,013
Direct Loan Program Disbursements	(245,794)	(230,017)
Operating Subsidies and Transfers	-	3
Net Change in Funds Held for Others	2,899	1,187
Other Nonoperating Receipts	2,180	1,155
Other Nonoperating Disbursements	(3,979)	(7,277)
Net Cash Provided by Noncapital Financing Activities	**728,630**	**761,561**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from Capital Improvement Debt	27,094	29,796
Capital State Appropriations	50,889	71,936
Capital Grants, Contracts, Donations, and Student Fees	3,349	15,909
Proceeds from Sales of Capital Assets	193	108
Other Receipts for Capital Projects	55	-
Purchase or Construction of Capital Assets	(179,498)	(187,068)
Principal Paid on Capital Debt and Leases	(7,342)	(6,297)
Interest Paid on Capital Debt and Leases	(5,483)	(4,464)
Net Cash Used by Capital and Related Financing Activities	**(110,743)**	**(80,080)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of Investments	1,476,554	1,405,419
Purchase of Investments	(1,492,980)	(1,450,146)
Investment Income	24,605	27,620
Net Cash Provided (Used) by Investing Activities	**8,179**	**(17,107)**
Net Increase (Decrease) in Cash and Cash Equivalents	**(1,020)**	**670**
Cash and Cash Equivalents, Beginning of Year	**1,539**	**869**
Cash and Cash Equivalents, End of Year	**$ 519**	**$ 1,539**
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Loss	$ (687,040)	$ (788,411)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation Expense	116,697	126,568
Change in Assets and Liabilities:		
Receivables, Net	(27,715)	(748)
Due From State and Component Units	(1,843)	(890)
Inventories	185	224
Other Assets	7	3,508
Accounts Payable	8,974	(61)
Salaries and Wages Payable	3,497	(28,294)
Due to Component Units	(1,414)	586
Deferred Revenue	(362)	2,046
Deposits Held in Custody	1,175	(1,138)
Other Postemployment Benefits Payable	36,396	23,193
Compensated Absences Payable	(80,067)	8,296
Liability for Self-Insured Claims	4,424	(8,583)
NET CASH USED BY OPERATING ACTIVITIES	**$ (627,086)**	**$ (663,704)**

SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES

The following items are recognized on the Statement of Net Assets or the Statement of Revenues, Expenses and Changes in Net Assets, but are not cash transactions for the Statement of Cash Flows.

Unrealized gains on investments	$ 2,355
Acquisition of equipment under installment purchase agreements	$ 1,085
Loss on disposal of capital assets	$ (2,573)
Expenses related to the changes in capitalization thresholds	$ (61,206)
Loss on refunded 1998 Housing Bonds will be amortized over the life of the 2011A refunding Housing Bonds	$ (364)

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2012

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed by the University of Florida are described below to enhance the usefulness of the financial statements.

A. Reporting Entity

The University of Florida 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 of Florida 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.

B. Blended Component Units

Based on the application of the criteria for determining component units, the University of Florida Self-Insurance Program (the Program), and the University of Florida Healthcare Education Insurance Company (HEIC), are included within the University reporting entity as blended component units. The Program was created by the Florida Board of Governors, pursuant to Section 1004.24, Florida Statutes. The HEIC was created on September 1, 1994, as a self-insurance mechanism created pursuant to Section 1004.24, Florida Statutes. Although legally separate from the University of Florida, the Program's and the HEIC's sole purpose is to assist in providing liability protection for the University and its affiliated individuals and entities, and are therefore reported as if they are part of the University. See Note 17 for more details.

C. Discretely Presented Component Units

Based on the application of the criteria for determining component units, certain affiliated organizations are included within the University reporting entity as discretely presented component units. The University further categorizes its component units as Direct-Support Organizations, Health Science Center Affiliates, and Shands Teaching Hospital and Others. 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 Office of University Relations. Condensed financial statements for the University's discretely presented component units are shown in Note 20.

D. Direct-Support Organizations

The University's direct-support organizations, as provided for in Section 1004.28, Florida Statutes, and Board of Governors' Regulation 9.011, are considered component units of the University of Florida and therefore the latest audited financial statements of these organizations are included in the financial statements of the University by discrete presentation. 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:

University of Florida Foundation, Inc., solicits, collects, manages, and directs contributions to the various academic departments and programs of the University, and assists the University in fund raising, public relations, and maintenance of alumni records.

University of Florida Research Foundation, Inc., promotes, encourages, and assists research activities of the University through income derived from or related to the development and commercialization of intellectual properties, which include inventions, discoveries, processes, and work products.

The University Athletic Association, Inc., conducts various inter-collegiate athletic programs for and on behalf of the University.

Gator Boosters, Inc., supports athletic activities at the University.

The University of Florida Law Center Association, Inc., supports the Levin College of Law.

Florida Foundation Seed Producers, Inc., supplies Florida farmers and producers with crop seed and nursery stock. This organization stocks foundation seed of the best-known varieties acceptable to Florida climate and soils in adequate quantities and at reasonable prices.

Florida 4-H Club Foundation, Inc., promotes the educational objectives of the 4-H Youth Development Program, an official part of the Florida Cooperative Extension Service.

Southwest Florida Research and Education Foundation, Inc., provides research and educational support to the University of Florida Southwest Florida Research and Education Center.

Citrus Research and Education Foundation, Inc., expedites citrus production, propagates new plant materials, collects and analyzes environmental impact research data, and provides research and education support to the University of Florida Citrus Research and Education Center at Lake Alfred.

Citrus Research and Development Foundation, Inc., was formed to advance disease and production research and product development activities to ensure the survival and competitiveness of Florida's citrus growers through innovation.

University of Florida Leadership and Education Foundation, Inc., was formed to further agriculture and natural resource education and related activities, promote agriculture and natural resources leadership, and make contributions to and confer benefits upon the University.

Treasure Coast Agricultural Research Foundation, Inc., supports, encourages, and fosters research, education, and extension at the Institute of Food and Agricultural Sciences

of the University on issues related to the citrus industry within the Indian River region.

University of Florida Alumni Association, Inc., supports activities of the alumni of the University of Florida.

University of Florida Investment Corporation promotes the educational purposes of the University of Florida by providing investment research, advice, counsel, and management to and for the University Board of Trustees and affiliated organizations of the University.

UF Historic St. Augustine, Inc., ensures the long-term preservation and interpretation of State-owned historic properties in St. Augustine. Related transactions have been recorded in the University's accounting records, primarily for payments received per the lease agreements transferred to the University and from State Appropriations for maintenance of the historic properties. Since this direct-support organization had no separate financial transactions, it is not presented.

University of Florida Development Corporation develops and maintains Innovation Square where the University-owned Florida Innovation Hub is located. Related transactions have been recorded in the University's accounting records. Since this direct-support organization had no separate financial transactions, it is not presented.

E. Health Science Center Affiliates

Several corporations closely affiliated with the University of Florida J. Hillis Miller Health Science Center (JHMHC) are considered to be component units of the University of Florida. These corporations are as follows:

- **Florida Clinical Practice Association, Inc.**
- **University of Florida Jacksonville Physicians, Inc.**
- **Faculty Associates, Inc.**
- **Florida Health Professions Association, Inc.**
- **University of Florida College of Nursing Faculty Practice Association, Inc.**
- **University of Florida College of Pharmacy Faculty Practice Association, Inc.**
- **Florida Veterinary Medicine Faculty Association, Inc.**
- **University of Florida Jacksonville Healthcare, Inc.**
- **Faculty Clinic, Inc.**

The first seven corporations listed are Faculty Practice Plans, as provided for in Board of Governors' Regulation 9.017. The Faculty Practice Plans provide educationally-oriented clinical practice settings and opportunities through which faculty members provide health, medical, and dental care to patients as an integral part of their academic activities and their employment as faculty. Because these faculty practice activities generate income, the colleges are authorized to regulate fees generated from faculty practice and maintain Faculty Practice Plans for the orderly collection and distribution of fees. These organizations provide significant support for the clinical instruction function of the JHMHC.

University of Florida Jacksonville Healthcare, Inc., a Health Services Support Organization, as provided for in Board of Governors' Regulation 9.011, engages in strategic alliances and partnerships with non-academic entities, effecting managed care contracting and provider network development for the JHMHC. Faculty Clinic, Inc., was originally organized to operate a multi-specialty clinic. However, effective January 1, 1995, Faculty Clinic, Inc., was restructured to operate as a facilities management company.

F. Shands Hospital and Others

Shands Teaching Hospital and Clinics, Inc. (Shands), was incorporated October 15, 1979, as a not-for-profit corporation. Shands, a major tertiary care teaching institution, is a leading referral center in the State of Florida and the southeast United States and facilitates medical education programs at the University.

Shands entered into a contractual agreement, as of July 1, 1980, as subsequently restated and amended, with the Florida Board of Education, to provide for the use of hospital facilities at the JHMHC through December 31, 2030, with renewal provisions. The contractual agreement also provides for the transfer to Shands of all other assets and liabilities arising from the operation of the hospital facilities prior to July 1, 1980. At termination of the contractual agreement, the net assets of Shands revert to the State Board of Education. Legal title to all buildings and improvements transferred to Shands remains with the State of Florida during the term of the contractual agreement. The contractual agreement provides for a 12-month grace period for any event of default, other than the bankruptcy of Shands. In addition, the contractual agreement limits the right of the State Board of Education to terminate the contractual agreement solely to the circumstance in which Shands declares bankruptcy and, in such event, requires net revenues derived from the operation of the hospital facilities to continue to be applied to the payment of Shands' debts.

Under the terms of the contractual agreement, Shands is obligated to manage, operate, maintain, and insure the hospital facilities in support of the programs of the JHMHC and further agrees to contract with the State Board of Education for the provision of these programs. By operation of law, the University of Florida Board of Trustees has become the successor-in-interest to the State Board of Education.

Shands Jacksonville HealthCare, Inc. (Shands Jacksonville), is a Florida not-for-profit corporation. Shands Jacksonville was organized primarily to provide healthcare and related services to the community including the City of Jacksonville and surrounding counties, and to support the teaching and research missions of the University.

University Village Apartments, Inc. (the Corporation), was established in 1969, for the purpose of providing housing for low- and moderate-income families, especially those affiliated with the University of Florida. Capital was contributed at inception by the University of Florida Foundation, Inc., but no capital stock was issued because the Corporation does not operate for the benefit of any special interest. The Corporation provides housing under Section 221(d)(3) of the National Housing Act. The facility consists of 28 two-story buildings and is regulated by the United States Department of Housing and Urban Development as to rent charges and operating methods. The Corporation's major program is its Section 221 insured loan, which is in the repayment phase. Legal title to the property is held by the Corporation.

G. 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 FASB. GASB allows public universities various reporting options. The University of Florida 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:
  1) Statement of Net Assets
  2) Statement of Revenues, Expenses, and Changes in Net Assets
  3) Statement of Cash Flows
  4) Notes to the Financial Statements
- Other Required Supplementary Information

H. 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.

The University's blended and discretely presented component units use the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred. Twenty-seven component units follow GASB standards of accounting and financial reporting. Three component units (University of Florida Foundation, Inc., Florida Foundation Seed Producers, Inc., and University of Florida Investment Corporation) follow FASB standards of accounting and financial reporting for not-for-profit organizations.

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*, has elected to apply only 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 noncapital State Appropriations, Federal and State student financial aid, investment income (net of unrealized gains or losses on investments) and capital State Appropriations for 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 scholarships, discounts, and allowances. Tuition scholarships, discounts, and 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 scholarships, discounts, and 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 to be 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.*

I. Cash and Cash Equivalents

The amount reported by the University as cash and cash equivalents consists 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 assets or other restricted assets, are classified as restricted.

J. Capital Assets

University capital assets consist of land, construction in progress, buildings, infrastructure and other improvements, furniture and equipment, library resources, property under capital lease, works of art and historical treasures, computer software, and other capital assets. These assets are capitalized and recorded at cost at the date of acquisition or at estimated fair value on the date received in the case of gifts and purchases of State surplus property. Additions, improvements, and other outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The University has a capitalization threshold of $4 million for intangible assets, which includes computer software, and $5,000 for tangible personal property. The costs of all new buildings and projects adding new square footage are capitalized. Infrastructure and leasehold improvements have a $250,000 capitalization threshold. For building renovations, the threshold is $250,000 or less if the amount expended is at least 25% of the cost basis of the building. Depreciation is computed on the straight-line basis over the following estimated useful lives:

- Buildings – 5 to 50 years, depending on construction
- Infrastructure and Other Improvements – 10 to 50 years
- Furniture and Equipment – 3 to 20 years
- Property Under Capital Lease – 40 years
- Library Resources – 10 years
- Computer Software – 5 years

K. Noncurrent Liabilities

Noncurrent liabilities include principal amounts of capital improvement debt payable, installment purchase agreements payable, capital leases payable, compensated absences payable, other postemployment benefits payable, liability for self-insured claims, and other noncurrent liabilities that are not scheduled to be paid within the next fiscal year. Capital improvement debt payable is reported net of unamortized premiums or discounts 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 Other Noncurrent Assets, and are amortized over the life of the debt using the straight-line method.

L. Other Significant Accounting Policies

Other significant accounting policies are set forth in the financial statements and subsequent notes hereafter.

2 CHANGES IN ACCOUNTING POLICY AND REPORTING

The University changed certain of its capitalization thresholds effective July 1, 2011. These changes resulted in $191,012,146 of previously capitalized assets, net of $129,806,302 in related accumulated depreciation, being removed from the University's accounting records. These changes are reflected within the adjustments column of Table 9. The net amount of $61,205,844 was recorded as Other Nonoperating Expenses in the Statement of Revenues, Expenses and Changes in Net Assets.

Additionally, pursuant to the provisions of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, certain transfers to the University from component units, which were previously reported as operating revenues Nongovernmental Grants and Contracts, have been determined to be nonexchange transactions, and are now reported as nonoperating revenues Noncapital Grants, Contracts, and Gifts. The amount reported as Noncapital Grants, Contracts, and Gifts for the 2011-12 fiscal year is $81,077,329. This change was made prospectively and, accordingly, the prior year financial statements have not been restated.

3 ADJUSTMENTS TO BEGINNING NET ASSETS - COMPONENT UNITS

Table 1 summarizes the Adjustments to Beginning Net Assets reported in the Statement of Revenues, Expenses, and Changes in Net Assets to correct prior year accounting errors of the University's component units.

Table 1. Adjustments to Beginning Net Assets

Description	Component Units
UF College of Pharmacy Faculty Practice Association, Inc. - To decrease Beginning Net Assets to correct prior year Accounts Receivable and Accounts Payable	$ (14,052)
University Village Apartments, Inc. - To increase Beginning Net Assets for prior year overstatement of Accumulated Depreciation	223,358
Total	**$ 209,306**

4 INVESTMENTS

Section 1011.42(5), Florida Statutes, authorizes universities to invest funds with the State Treasury and State Board of Administration (SBA), and requires that universities comply with the statutory requirements governing investment of public funds by local governments. Accordingly, universities are subject to the requirements of Chapter 218, Part IV, Florida Statutes. The University's Board of Trustees has adopted a written investment policy providing that surplus funds of the University shall be invested in those institutions and instruments permitted under the provisions of Florida Statutes. Pursuant to Section 218.415(16), Florida Statutes, the University is authorized to invest in the Florida PRIME investment pool administered by the SBA, 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. Investments of the University and its component units at June 30, 2012, are reported at fair value and shown in Tables 2 and 3.

Table 2. University Investments

Types of Investments	Fair Value
External Investments Pools:	
State Treasury Special Purpose Investment Account	$ 820,225,437
State Board of Administration Debt Service Accounts	2,836,585
United States Government and Federally-Guaranteed Obligations	14,908,204
Repurchase Agreements	18,254,159
Stocks	516
Certificates of Deposit	750,000
Investment Agreements	106,778,845
Equity Mutual Funds	36,407,622
Bond Mutual Funds	87,740,464
Total University Investments	**$ 1,087,901,832**

Table 3. Component Units Investments

Types of Investments	Fair Value
External Investments Pools:	
State Treasury Special Purpose Investment Accounts	$ 305,739,156
State Board of Administration Florida PRIME Investment Pool	413,539
United States Government and Federally-Guaranteed Obligations	4,166,062
Federal Agency Obligations	491,154
Bonds and Notes	24,130,420
Investment Agreements	1,700,068,594
Real Estate Agreements	11,106,906
Stocks	3,832,081
Certificates of Deposit	854,585
Money Market Funds	56,456,705
Equity Mutual Funds	47,376,783
Bond Mutual Funds	62,585,598
Commercial Paper	1,120,000
Total Component Units Investments	**$ 2,218,341,583**

A. External Investment Pools

The University and its discretely presented component units (see Note 1) reported investments at fair value totaling $820,225,437 and $305,739,156, respectively, 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 and 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 the financial statements of the State's Comprehensive Annual Financial Report.

At June 30, 2012, the University's component units reported investments at fair value totaling $413,539 in the Florida PRIME investment pool, administered by the SBA pursuant to Section 218.405, Florida Statutes. The 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.

B. State Board of Administration Debt Service Accounts

The University reported investments at fair value totaling $2,836,585 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. The University relies on policies developed by the SBA for managing interest rate risk and credit risk for these accounts. Disclosures for the Debt Service Accounts are included in the notes to the financial statements of the State's Comprehensive Annual Financial Report.

C. Other Investments

In addition to external investment pools, the University and its discretely presented component units invested in various debt and equity securities, money market funds, mutual funds and certificates of deposit. For the University, the majority of the other investments are those reported by the University of Florida Self-Insurance Program, and the University of Florida Healthcare Education Insurance Company, blended component units (see Note 1), plus amounts invested by the University of Florida Investment Corporation for the University of Florida. For the University's discretely presented component units, other investments are those reported primarily by the University of Florida Foundation, Inc., University of Florida Research Foundation, Inc., The University Athletic Association, Inc., Florida Clinical Practice Association, Inc., Shands Jacksonville HealthCare, Inc., and Shands Teaching Hospital and Clinics, Inc. The following risks apply to the University's and its discretely presented component units' investments other than external investment pools:

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(16), Florida Statutes, the University's investments in securities must provide sufficient liquidity to pay obligations as they come due. Per the Statement of Investment Guidelines and Objectives of the University of Florida Healthcare Education Insurance Company, the weighted-average duration of the fixed income portfolio shall at all times be less than five years. Investments of the University and its component units (excluding those reporting under FASB standards) in debt securities and bond mutual funds, and their future maturities at June 30, 2012, are shown in Tables 4 and 5, respectively.

Table 4. University Debt Investments Maturities

		Investments Maturities (in Years)			
Types of Investments	**Fair Value**	**Less than 1**	**1-5**	**6-10**	**More than 10**
United States Government and Federally-Guaranteed Obligations	$ 14,908,204	$ 3,152,867	$ 11,755,337	$ -	$ -
Bond Mutual Funds	87,740,464	-	87,740,464	-	-
Total University	**$ 102,648,668**	**$ 3,152,867**	**$ 99,495,801**	**$ -**	**$ -**

Table 5. Component Units Debt Investments Maturities

		Investments Maturities (in Years)			
Types of Investments	**Fair Value**	**Less than 1**	**1-5**	**6-10**	**More than 10**
United States Government and Federally-Guaranteed Obligations	$ 2,967,031	$ -	$ -	$ 2,967,031	$ -
Federal Agency Obligations	491,154	491,154	-	-	-
Bonds and Notes	21,321,462	2,580,000	17,062,833	1,588,623	90,006
Bond Mutual Funds	51,175,498	5,176,818	11,464,680	34,534,000	-
Total Component Units	**$ 75,955,145**	**$ 8,247,972**	**$ 28,527,513**	**$ 39,089,654**	**$ 90,006**

Table 6. University Debt Investments Quality Ratings

Types of Investments	**Fair Value**	**AAA/Aaa**	**AA/Aa**	**A/Ba**	**Less than A/Ba or Not Rated**
Bond Mutual Funds	**$ 87,740,464**	**$ 1,228,146**	**$ 50,782,211**	**$ 30,728,202**	**$ 5,001,905**

Table 7. Component Units Debt Investments Quality Ratings

Types of Investments	**Fair Value**	**AAA/Aaa**	**AA/Aa**	**A/Ba**	**Less than A/Ba or Not Rated**
Federal Agency Obligations	$ 491,154	$ 477,080	$ -	$ -	$ 14,074
Bonds and Notes	21,321,462	2,068,277	6,637,358	10,625,672	1,990,155
Money Market Funds	52,355,980	19,500,000	-	352,980	32,503,000
Bond Mutual Funds	51,175,498	-	2,445,449	-	48,730,049
Total Component Units	**$ 125,344,094**	**$ 22,045,357**	**$ 9,082,807**	**$ 10,978,652**	**$ 83,237,278**

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Obligations of the United States Government or obligations explicitly guaranteed by the United States Government are not considered to have credit risk and do not require disclosure of credit quality. At June 30, 2012, the University and its component units (excluding those reporting under FASB standards) had bonds and notes, money market funds and bond mutual funds, with quality ratings by nationally recognized rating agencies (i.e., Moody's Investors Service), as shown in Tables 6 and 7, respectively.

Custodial Credit Risk: Custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the University will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Exposure to custodial credit risk relates to investment securities that are held by someone other than the University and are not registered in the University's name. The University has no formal policy on custodial credit risk. The component units manage their custodial credit risk based on various investment policies, which may be obtained separately from the component units.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the University's investments in a single issuer. The University has no formal policy on concentration of credit risk. The component units manage their concentration of credit risk based on various investment policies, which may be obtained separately from the component units.

5 RECEIVABLES

A. Accounts Receivable

Accounts receivable represent amounts for grant and contract reimbursements due from third parties, various sales and services provided to students and third parties, student tuition and fees, and interest accrued on investments and loans receivable. Accounts receivable, net of an allowance for uncollectible accounts, reported as of June 30, 2012, are summarized in Table 8.

Table 8. Accounts Receivable

Description		Amount
Grants and Contracts	$	89,673,400
Sales and Services of Auxiliary Enterprises		42,357,312
Student Tuition and Fees		9,554,155
Sales and Services of Educational Departments		1,690,327
Interest		2,107,194
Total Accounts Receivable, Net	**$**	**145,382,388**

B. 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.

C. Allowances for Uncollectible Receivables

Allowances for uncollectible accounts, and loans and notes receivable, are reported based upon management's best estimate as of fiscal year-end, considering type, age, collection history, and other factors considered appropriate. Accounts receivable for student tuition and fees, various sales and services provided to students and third parties, and interest are reported net of an allowance of $6,513,610, which is 10.5% of total related accounts receivable. Loans and notes receivable are reported net of an allowance of $3,271,000, which is 7.4% of total related loans and notes receivable. No allowance has been accrued for grants and contracts receivable. University management considers these to be fully collectible.

6 DUE FROM STATE

This amount consists of $31,534,921 of Public Education Capital Outlay due from the State to the University for construction of University facilities.

7 DUE FROM AND TO COMPONENT UNITS/ UNIVERSITY

The University's financial statements are reported for the fiscal year ended June 30, 2012. The University's component units' financial statements are reported for the most recent fiscal year for which an audit report is available. Some component units have a fiscal year other than June 30. Additionally, component units' due from and due to amounts include receivables and payables between the various component unit columns. Accordingly, amounts reported by the University as due from and to component units on the Statement of Net Assets may not agree with amounts reported by the component units as due from and to the University.

8 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 Inventories - 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 reported on the Statement of Net Assets and are valued at cost using either the moving average method or the first-in, first-out method.

9 CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2012, is presented in Table 9.

Table 9. Capital Assets

Description	Beginning Balance	Adjustments (A)	Additions	Reductions	Ending Balance
Nondepreciable Capital Assets:					
Land	$ 10,763,861	$ -	$ -	$ -	$ 10,763,861
Construction in Progress	90,589,155	-	66,815,315	55,674,924	101,729,546
Works of Art and Historical Treasures	3,948,343	(139,513)	95,939	29,476	3,875,293
Total Nondepreciable Capital Assets	**105,301,359**	**(139,513)**	**66,911,254**	**55,704,400**	**116,368,700**
Depreciable Capital Assets:					
Buildings	2,012,506,291	-	119,144,085	848,788	2,130,801,588
Infrastructure and Other Improvements	95,775,051	-	3,180,148	-	98,955,199
Furniture and Equipment	683,121,497	(178,247,692)	39,974,064	19,598,619	525,249,250
Library Resources	296,357,298	-	10,489,259	728,739	306,117,818
Property Under Capital Lease	9,815,002	-	-	-	9,815,002
Works of Art and Historical Treasures	850,369	(336,957)	6,283	-	519,695
Computer Software	35,037,770	(10,719,822)	353,359	138,307	24,533,000
Other Capital Assets	2,314,225	(1,568,162)	-	736,563	9,500
Total Depreciable Capital Assets	3,135,777,503	(190,872,633)	173,147,198	22,051,016	3,096,001,052
Less Accumulated Depreciation:					
Buildings	814,420,048	-	63,369,307	336,135	877,453,220
Infrastructure and Other Improvements	54,824,544	-	3,180,658	-	58,005,202
Furniture and Equipment	435,035,500	(119,998,096)	36,705,033	16,447,957	335,294,480
Library Resources	236,184,033	-	11,992,475	728,739	247,447,769
Property Under Capital Lease	3,372,823	-	245,375	-	3,618,198
Works of Art and Historical Treasures	447,596	(155,149)	29,468	(1,059)	322,974
Computer Software	32,830,246	(8,948,243)	818,636	167,639	24,533,000
Other Capital Assets	671,341	(704,814)	355,803	320,113	2,217
Total Accumulated Depreciation	1,577,786,131	(129,806,302)	116,696,755	17,999,524	1,546,677,060
Total Depreciable Capital Assets, Net	**1,557,991,372**	**(61,066,331)**	**56,450,443**	**4,051,492**	**1,549,323,992**
Total Capital Assets, Net	**$ 1,663,292,731**	**$ (61,205,844)**	**$ 123,361,697**	**$ 59,755,892**	**$ 1,665,692,692**

(A) Adjustments represent the capital assets costs and related accumulated depreciation, removed from the University's accounting records as result of change in capitalization thresholds. See paragraph 1 of Note 2.

10 MUSEUM AND ART COLLECTIONS

The Florida Museum of Natural History, which is part of the University, maintains a depository of biological, geological, archaeological, and ethnographic materials. The museum's collections contain approximately 32 million specimens, more than half of which are catalogued, either individually or in lots. While many of the collections are undoubtedly quite valuable and irreplaceable, the University has not placed a dollar value on these items and, accordingly, the financial statements do not include these assets.

The Samuel P. Harn Museum of Art, which is also part of the University, maintains a collection of approximately 8,600 works of art. Donations of artwork to the museum are recorded by the University of Florida Foundation, Inc. (Foundation), and are included with reported "Permanent Collections" as further explained in Note 9 of the Foundation's audited financial statements for the fiscal year ended June 30, 2012. Purchases of artwork by the museum are included with the University's reported "Nondepreciable Capital Assets" as presented in Table 9.

11 DEFERRED REVENUE

Deferred revenue includes amounts received prior to the end of the fiscal year but related to subsequent accounting periods. Deferred revenue, as of June 30, 2012, is summarized in Table 10.

Table 10. Deferred Revenue

Description	Amount
Grants and Contracts	$ 19,139,011
Sales and Services of Auxiliary Enterprises	6,436,082
Total Deferred Revenue	**$ 25,575,093**

12 OTHER CURRENT LIABILITIES

The University maintained accounts with a local bank to process general operating expenses and payroll transactions. Funds in excess of current need, including float, were invested. As a result, the University's records showed a temporary cash overdraft for the amount of outstanding checks not presented as of June 30,

2012. This did not, however, represent an overdraft in the University's depository accounts.

13 LONG-TERM LIABILITIES

Long-term liabilities of the University at June 30, 2012, include capital improvement debt payable, installment purchase agreements payable, capital leases payable, compensated absences payable, other postemployment benefits payable, liability for self-insured claims, and other noncurrent liabilities.

Long-term liability activity for the fiscal year ended June 30, 2012, is presented in Table 11.

A. Capital Improvement Debt Payable

Capital improvement debt is issued to construct student housing facilities, parking garages, and various other University facilities. The outstanding debt for student housing and parking garages is secured by a pledge of a portion of housing rental revenues and parking fees. The outstanding debt for the Clinical Translational Research Building is secured by a pledge of a portion of indirect costs revenues received by the College of Medicine.

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

On November 10, 2011, the Florida Board of Governors, on behalf of the University, issued $16,350,000 of University of Florida Housing Revenue Bonds, Series 2011A, with interest rates ranging from 2.0 to 4.0 percent to advance refund the $16,595,000 principal amount of the University of Florida Housing Revenue Bonds, Series 1998, maturing on or after July 1, 2011, with rates from 4.5 to 5.0 percent. The refunding bonds were used to purchase securities, which 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 debt service requirement by $1,968,164 over the next 15 years and obtained an economic gain (difference between the present value of the debt service payments on the old and new debt) of $1,600,752.

On May 10, 2012, the Florida Board of Governors, on behalf of the University, also issued $26,500,000 of University of Florida Housing Revenue Bonds, Series 2012A, with interest rates ranging from 2.0 to 4.0 percent. Proceeds of $27,094,319, which include a premium of $939,136, will be used to finance 14 dormitory renovation projects.

A summary of the University's capital improvement debt payable at June 30, 2012, appears in Table 12.

Annual requirements to amortize all capital improvement debt outstanding as of June 30, 2012, appear in Table 13.

B. Installment Purchase Agreements Payable

The University has entered into several installment purchase agreements for the purchase of equipment reported at $7,091,455. The stated interest rates ranged from 0.00% to 10.74%. Future minimum payments remaining under installment purchase agreements as of June 30, 2012, appear in Table 14.

C. Capital Leases Payable

On June 8, 1994, the former Board of Regents, on behalf of the University of Florida, entered into a lease agreement with the University of Florida Foundation, Inc. (the Foundation), a direct-support organization (component unit) of the University. Under the terms of the agreement, the University agreed to lease from the Foundation a 607-space parking garage (the garage) located near the Health Science Center Administrative Offices for a period of thirty years beginning July 1, 1994. Lease payments of $100,000

Table 11. Long-Term Liabilities

Description	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Capital Asset-Related Debt:					
Capital Improvement Debt Payable	$ 104,506,954	$ 42,850,000	$ 21,073,302	$ 126,283,652	$ 6,919,000
Installment Purchase Agreements Payable	2,069,714	1,085,057	1,209,308	1,945,463	867,773
Capital Leases Payable	3,310,387	-	160,881	3,149,506	73,743
Total Capital Asset-Related Debt	109,887,055	43,935,057	22,443,491	131,378,621	7,860,516
Other Long-Term Liabilities:					
Compensated Absences Payable	177,931,358	107,891,228	187,958,514	97,864,072	7,242,704
Other Postemployment Benefits Payable	66,062,000	45,792,000	9,396,000	102,458,000	-
Liability for Self-Insured Claims	98,407,591	11,800,173	7,376,172	102,831,592	15,439,665
Other Noncurrent Liabilities	19,424,658	-	318,581	19,106,077	-
Total Long-Term Liabilities	**$ 471,712,662**	**$ 209,418,458**	**$ 227,492,758**	**$ 453,638,362**	**$ 30,542,885**

Table 12. Capital Improvement Debt Payable

Type and Series	Amount of Original Issue	Amount Outstanding Principal	Amount Outstanding Interest	Interest Rates	Maturity Date
Student Housing Auxiliary Debt:					
1984 Housing	$ 3,500,000	$ 355,000	$ 16,050	3.000%	2014
2005A Housing	37,610,000	31,760,000	15,345,781	4.000 to 5.125%	2030
2011A Housing	16,350,000	15,245,000	4,035,463	2.000 to 4.000%	2028
2012A Housing	26,500,000	26,500,000	10,269,311	2.000 to 4.000%	2031
Total Student Housing Debt	**83,960,000**	**73,860,000**	**29,666,605**		
Parking Garage Auxiliary Debt:					
1993 Parking Garage	19,545,000	1,580,000	80,000	5.000%	2014
1998 Parking Garage	10,000,000	4,655,000	810,212	4.400 to 4.750%	2019
2007A Parking Garage	20,770,000	17,775,000	6,539,124	3.500 to 4.375%	2028
Total Parking Garage Debt	**50,315,000**	**24,010,000**	**7,429,336**		
University of Florida Revenue Bonds:					
2011 Clinical Translational Research Building	29,838,000	28,811,000	13,305,250	4.433%	2030
Plus: Unamortized Premiums	-	1,367,055	-		
Less: Unamortized Discounts	-	(359,127)	-		
Less: Unamortized Refunding Losses	-	(1,405,276)	-		
Total Capital Improvement Debt	**$ 164,113,000**	**$ 126,283,652**	**$ 50,401,191**		

Table 13. Capital Improvement Debt Outstanding

Fiscal Year Ending June 30	Principal	Interest	Total
2013	$ 6,919,000	$ 5,355,410	$ 12,274,410
2014	7,307,000	4,970,782	12,277,782
2015	6,580,000	4,706,491	11,286,491
2016	6,829,000	4,448,234	11,277,234
2017	7,108,000	4,165,426	11,273,426
2018-2022	35,137,000	16,174,783	51,311,783
2023-2027	35,372,000	8,794,387	44,166,387
2028-2031	21,429,000	1,785,678	23,214,678
Subtotal	126,681,000	50,401,191	177,082,191
Plus: Unamortized Premiums	1,367,055	-	1,367,055
Less: Unamortized Discounts	(359,127)	-	(359,127)
Less: Unamortized Refunding Losses	(1,405,276)	-	(1,405,276)
Total	**$ 126,283,652**	**$ 50,401,191**	**$ 176,684,843**

Table 14. Installment Purchase Agreements

Fiscal Year Ending June 30	Principal	Interest	Total
2013	$ 867,773	$ 37,691	$ 905,464
2014	625,685	18,737	644,422
2015	375,133	7,232	382,365
2016	76,872	705	77,577
Total Minimum Payments	**$ 1,945,463**	**$ 64,365**	**$ 2,009,828**

annually are due each July 1. The garage was simultaneously acquired by the Foundation from Shands Teaching Hospital and Clinics, Inc. (Shands), also a component unit, and financed by the Foundation through the issuance of a promissory note secured by a non-recourse mortgage containing payment terms similar to those in the lease agreement between the Foundation and the University. Lease payments from the University to the Foundation and from the Foundation to Shands were based on an original construction cost of $3,000,000 and no interest. For reporting purposes, the lease is considered a capital lease under Financial Accounting Standards Board (FASB) Statement No. 13, *Accounting for Leases*. The initial obligation was discounted at an imputed interest rate of 6.45% and was recorded at $1,382,470. The asset, which is included in reported Property Under Capital Lease, was recorded at cost to Shands of $3,000,000.

On March 1, 2000, the University, acting for and on behalf of the former Board of Regents, entered into a lease agreement with Shands. Under the terms of the agreement, the University agreed to lease from Shands an 800-space parking garage located near the Health Science Center Administrative Offices for a period of thirty years beginning March 1, 2000. Annual lease payments of $227,167 are due each May 1, beginning May 1, 2001. Lease payment amounts were based on an original construction cost of $6,815,002 and no interest. For reporting purposes, the lease is considered a capital lease under FASB Statement No. 13, *Accounting for Leases*. The initial obligation was discounted at an imputed interest rate of 6.45% and was recorded at $2,981,939. The asset, which is included in reported Property Under Capital Lease, was recorded at cost to Shands of $6,815,002. A summary of pertinent information related to the two capital leases appears in Table 15.

Table 15. Capital Leases Payable

Capital Leases	Interest Rate	Original Balances	Outstanding Balance At June 30, 2012
Shands Garage (607 spaces)	6.45%	$ 1,382,470	$ 770,848
Shands Garage (800 spaces)	6.45%	2,981,939	2,378,658
Total		**$ 4,364,409**	**$ 3,149,506**

Future minimum payments under the capital lease agreements and the present value of the minimum payments as of June 30, 2012, are presented in Table 16.

Table 16. Capital Leases Principal & Interest

Fiscal Year Ending June 30	Principal	Interest	Total
2013	$ 73,743	$ 153,423	$ 227,166
2014	128,780	198,387	327,167
2015	137,086	190,080	327,166
2016	145,928	181,238	327,166
2017	155,341	171,826	327,167
2018-2022	940,563	695,271	1,635,834
2023-2027	965,866	369,970	1,335,836
2028-2030	602,199	79,301	681,500
Total	**$ 3,149,506**	**$ 2,039,496**	**$ 5,189,002**

D. 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 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.

During the 2011-12 fiscal year, the University made changes to the leave regulations concerning compensated absences. The new regulations placed limits on the hours of vacation and sick leave that can be paid out upon separation from the University. Vacation leave is limited to 200 hours for most employees, while sick leave is limited to one-fourth of the balance, up to 480 hours, for those employees hired prior to April 1, 2010, having more than ten years of service, and retiring on or before June 30, 2016.

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 $97,864,072. The current portion of the compensated absences liability is the amount expected to be paid in the coming fiscal year, and is based on actual payouts over the last three years, calculated as a percentage of those years' total compensated absences liability.

Table 17. Annual OPEB Cost and Net OPEB Obligation

Description	Amount
Normal Cost (service cost for one year)	$ 24,032,000
Amortization of Unfunded Actuarial Accrued Liability	21,458,000
Interest on Normal Cost and Amortization	1,820,000
Annual Required Contribution	**47,310,000**
Interest on Net OPEB Obligation	2,568,000
Adjustment to Annual Required Contribution	(2,226,000)
Annual OPEB Cost (Expense)	**47,652,000**
Contribution Toward the OPEB Cost	(9,396,000)
Increase in Net OPEB Obligation	**38,256,000**
Net OPEB Obligation, Beginning of Year	66,062,000
Actuarial Adjustment to Beginning Net OPEB Obligation	(1,860,000)
Net OPEB Obligation, End of Year	**$102,458,000**

E. Other Postemployment Benefits Payable

The University follows Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for certain postemployment 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 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, 2,451 retirees received

Table 18. Annual OPEB Cost, Percentage Contributed, and Net Obligation

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2009-10	$ 31,555,000	26.4%	$ 42,869,000
2010-11	33,220,000	30.2%	66,062,000
2011-12	47,652,000	19.7%	102,458,000

postemployment benefits. The University provided required contributions of $9,396,000 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 $13,656,000.

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 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. Table 17 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.

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 years, are presented in Table 18.

Funded Status and Funding Progress. As of July 1, 2011, the most recent actuarial valuation date, the actuarial accrued liability for benefits was $643,742,000 and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability of $643,742,000. The covered payroll (annual payroll of active participating employees) was $996,685,753 for the 2011-12 fiscal year, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 64.6 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 the Financial Statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan provisions, as understood by the employer and participating members, and include the types of 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 estimated 2011-12 fiscal year annual required contribution. 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% rate of return on invested assets. The actuarial assumptions also included a payroll growth rate of 4% per year. Healthcare trend rates were 7.24%, 8.38%, and 8.57% for the first three years respectively for all retirees in the PPO (Preferred Provider Organization) Plan and were 5.81%, 3.11%, and 8.42% 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% in the fourth year grading to 5.0% 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.

14 INTERDEPARTMENTAL AUXILIARY SALES

Interdepartmental sales between auxiliary service departments and other institutional departments have been eliminated from expenses and revenues for reporting purposes. The interdepartmental transactions eliminated in the financial statement preparation totaled $103,222,795 for the fiscal year ended June 30, 2012.

15 RETIREMENT PROGRAMS

A. 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

Table 19. Florida Retirement System Rates

Class	Percent of Gross Salary Employee	Employer (A)
Florida Retirement System, Regular	3.00%	4.91%
Florida Retirement System, Senior Management Services	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 for each membership class include 1.11% for health insurance subsidy. Also, employer rates, other than for DROP participants, include .03% for administrative costs of the Investment Plan.
(B) Contribution Rates are dependent upon retirement class in which reemployed.

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 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, and 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 the 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 the DROP are not eligible to participate in this program. Employer 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. There were 1,621 University participants during the 2011-12 fiscal year. Required employer contributions made to the Investment Plan totaled $3,132,835 and employee contributions totaled $1,875,505.

The State of Florida establishes contribution rates for participating employers and employees. Effective July 1, 2011, employees were required to contribute 3% of gross salary towards retirement. Contribution rates during the 2011-12 fiscal year are presented in Table 19.

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. There were 8,032 University participants during the 2011-12 fiscal year The University's contributions for the fiscal years ended June 30, 2010 and June 30, 2011 totaled $33,580,957 and $38,823,505 respectively, which were equal to the required contributions for each fiscal year. For the fiscal year ended June 30, 2012, the University's contributions totaled $16,712,175 and employee contributions totaled $8,613,541.

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.

B. 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% of the participant's salary, less a small amount used to cover administrative costs and effective July 1, 2011, employees are required to contribute 3.0% 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 5,575 University participants during the 2011-12 fiscal year. Required employer contributions made to the Program totaled $44,202,172 and employee contributions totaled $35,121,824.

C. Institute of Food and Agricultural Sciences Supplemental Retirement

In 1984, the Florida Legislature enacted the Institute of Food and Agricultural Sciences Supplemental Retirement Act to provide a supplement to the monthly retirement benefit being paid under the Federal Civil Service Retirement System to retirees of the Institute of Food and Agricultural Sciences (IFAS) at the University of Florida. The supplement is designated for IFAS cooperative extension employees employed before July 1, 1983, who are not entitled to benefits from either a State-supported retirement system or social security based on their service with IFAS. It was intended to compensate these IFAS employees for the difference between their Civil Service benefit and the benefits an FRS member receives, which include a social security benefit. No additional persons can become eligible for this supplement.

There were 34 University participants during the 2011-12 fiscal year. Required employer contributions made to the program totaled $532,723. Employees do not contribute to this program.

D. Other Retirement Programs

Some University employees participate in the Florida Teachers' Retirement System and the U.S. Civil Service Retirement System. One employee was covered by the Florida Teachers' Retirement System during the 2011-12 fiscal year. Employer contributions totaled $15,233, and employee contributions totaled $8,388. Thirty-four employees were covered by the U.S. Civil Service Retirement System during the 2011-12 fiscal year. Employer contributions totaled $238,395, and employee contributions totaled $233,988.

16 CONSTRUCTION COMMITMENTS

The University's construction commitments at June 30, 2012, are presented in Table 20.

Table 20. Construction Commitments

Project Title	Total Commitment	Completed to Date	Balance Committed
Lake Nona Research Facility	$ 51,974,305	$ 43,538,426	$ 8,435,879
Clinical Translational Research Building/Institute on Aging Research Building	44,479,161	13,498,164	30,980,997
East Campus Data Center	12,000,000	2,565,476	9,434,524
P.K. Yonge Developmental School Phase 1	8,541,054	7,246,054	1,295,000
Chemistry Biology Building	6,513,400	5,072,133	1,441,267
Weimer Hall Expansion	4,431,449	3,348,107	1,083,342
Movement Disorders Center	3,306,605	2,405,305	901,300
Tropical Research & Education Center Phase I - Homestead	3,204,400	629,306	2,575,094
McCarty Hall A - Third Floor Laboratory Renovations	3,047,767	2,514,564	533,203
Health Science Center Lobby Upgrades	2,754,460	1,780,451	974,009
Broward Hall Electrical Wiring Upgrade	2,065,000	1,057,486	1,007,514
Joint Use Library Storage Facility	2,017,600	187,633	1,829,967
SCADA (Steam Piping) Infrastructure-Campus	1,897,788	1,455,835	441,953
Weaver Hall Bathroom and Kitchen Renovations	1,875,070	1,379,731	495,339
Plant Pathology Diagnostics Laboratory	1,700,000	160,495	1,539,505
Evaluate and Optimize Condenser Pump	1,539,320	1,116,093	423,227
Creekside Resident Life Coordinator Apartments Renovation	1,405,000	478,775	926,225
Replace Voltage Cables - Campus	1,306,416	943,323	363,093
Replacement Oil Switches	1,153,804	47,667	1,106,137
Roof Replacement at Whitney Laboratory for Marine Bioscience	1,135,164	956,191	178,973
Weaver Hall Window Replacement	1,118,570	628,189	490,381
Lacy C. Rabon Chilled Water Plant	1,021,000	735,726	285,274
Campus Security System Enhancement	1,004,900	541,362	463,538
Subtotal	$ 159,492,233	$ 92,286,492	$ 67,205,741
Projects Under $1,000,000	22,997,685	9,443,054	13,554,631
Total	**$ 182,489,918**	**$101,729,546**	**$ 80,760,372**

17 RISK MANAGEMENT PROGRAMS

A. State Self-Insurance 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 of losses per occurrence with an annual aggregate retention of $40 million for named windstorm and flood losses and no annual aggregate retention for all other named perils. 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. There have been no significant reductions in insurance coverage from the prior year coverage. Settlements have not exceeded insurance coverage during the past three fiscal years.

Pursuant to Section 110.123, Florida Statutes, University employees may obtain healthcare services through participation in the State's 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.

B. University Self-Insurance Programs

The University of Florida Self-Insurance Program was reestablished by the Florida Board of Governors effective July 1, 2006, by amending Board of Governors' Regulation 10.001, merging the then JHMHC Self-Insurance Program and the prior University of Florida JHMHC/Jacksonville Self-Insurance Program. The Self-Insurance Program provides general and professional liability protection for the University on behalf of the six health colleges of the JHMHC, which also include the Student Health Service Auxiliary, the Veterinary Medicine Teaching Hospital, and the University of Florida Proton Therapy Institute. Hospital professional liability protection, including patient general liability, is provided to Shands Teaching Hospital and Clinics, Inc.; Shands Jacksonville HealthCare, Inc.; and other statutorily permitted entities, which voluntarily participate in the Self-Insurance Program. The University is protected for losses, which are subject to Section 768.28, Florida Statutes, including legislative claims bills, that in combination with the waiver of immunity limits described in Section 768.28, Florida Statutes, do not exceed $1 million per claim. The Self-Insurance Program provides $2 million per-claim protection for the participants which are not subject to the provisions of Section 768.28, Florida Statutes. The per-claim limit of liability protection for the participants does not exceed $2 million per claim in the event more than one protected entity is involved in the same claim or action.

Pursuant to Board of Governors' Regulation 10.001(2), the University of Florida Self-Insurance Program Council has created the University of Florida Healthcare Education Insurance Company (HEIC), a captive insurance company which is wholly owned by the Board of Governors and domiciled in the State of Vermont. HEIC is managed by a Board of Directors created by the Board of Governors. HEIC provides coverage for claims that are in excess of the protections afforded by the University of Florida Self-Insurance Program, at limits of $4 million per-legislative claims bill coverage for insured participants subject to Section 768.28, Florida Statutes, and $3 million per claim for voluntary settlements entered into by the Self-Insurance Program Council and insured participants that are not subject to Section 768.28, Florida Statutes. HEIC provides additional limits of liability coverage of $50 million per claim and in the aggregate, which is in excess of the coverages described above. The excess insurance is paid to claimants on a first-come, first-serve basis.

Claims settlement and adjustment expenses are accrued as expenses and liabilities of the University of Florida Self-Insurance Program and University of Florida Healthcare Education Insurance Company, for the estimated settlement value of claims that is reported as a "Liability for Self-Insured Claims." The estimated settlement value of claims was determined based on the judgment and experience of management and the Self-Insurance Program Council through a case-by-case review. Estimated losses from incurred but unreported incidents are accrued based upon the findings of casualty actuaries.

The amount of "Liability for Self-Insured Claims" accrued for the Self-Insurance Program at June 30, 2012, was $102,831,592 for compensatory losses and for allocated expenses. The "Liability for Self-Insured Claims" was accrued at an undiscounted present value.

The aggregate amount of claims liabilities for which annuity contracts have been purchased in the claimants' names, resulting

Table 21. Liability for Self-Insured Claims

Fiscal Year	Claims Liabilities Beginning of Year	Current Claims/Changes in Estimates	Claims Payments	Claims Liabilities End of Year
2010-11	$ 106,990,118	$ 8,016,453	$ (16,598,980)	$ 98,407,591
2011-12	98,407,591	11,800,173	(7,376,172)	102,831,592

in the removal of the related liabilities from the Statement of Net Assets, totals $1,910,010 for the Self-Insurance Program at June 30, 2012. These annuities have been assigned to third parties, and all claimants have fully and completely released the Self-Insurance Program participants from all actual and contingent liability.

Changes in the balances of claims liabilities for the Self-Insurance Program and HEIC during the 2010-11 and 2011-12 fiscal years are presented in Table 21.

18 LITIGATION AND CONTINGENCIES

The University is involved in several pending and threatened legal actions. The range of potential loss from all such claims and actions, as estimated by the University's legal counsel and management, should not materially affect the University's financial position.

The United States Department of Health and Human Services' and National Science Foundation's Offices of Inspector General, with the United States Department of Justice (civil division), are investigating the University's practices relating to Federal awards finances and accounting. University management is unable to make a determination of the outcome or estimate costs that the University may incur as a result of this audit.

19 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 those departments consists of instructional program elements, all expenses of those departments 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. Table 22 presents those same expenses in functional classifications as recommended by NACUBO.

20 COMPONENT UNITS

The University has 26 discretely presented component units as discussed in Note 1. These component units comprise 100% of the transactions and account balances of the aggregate discretely presented component units' columns of the financial statements. Summary financial information from the most recently available audited financial statements for these component units is presented on the following pages in Tables 23, 24, and 25.

21 SEGMENT INFORMATION

A segment is defined as an identifiable activity (or grouping of activities) that has one or more bonds or other debt instruments outstanding, with a revenue stream pledged in support of that debt. In addition, the activity's related revenues, expenses, gains, losses, assets, and liabilities are required to be accounted for separately. Transportation and Parking Services provides the University with safe and adequate parking facilities. Several parking garages have been constructed from the proceeds of revenue-backed debt instruments. The Department of Housing and Residence Education provides safe and affordable living space for students of the University of Florida. Capital improvement debt has been issued over the years to provide funding for the construction of facilities to house students of the University. A summary of the financial activity for these segments is presented in Table 26.

Table 22. Functional Expenses
(amounts expressed in thousands)

Functional Classifications	Amount
Instruction	$ 634,096
Research	545,336
Public Service	385,231
Academic Support	150,761
Auxiliary Operations	124,450
Depreciation	116,697
Institutional Support	107,087
Operation and Maintenance of Plant	106,718
Scholarships, Fellowships and Waivers, Net	53,749
Student Services	20,373
Total Operating Expenses	**$ 2,244,498**

Table 23. Direct-Support Organizations *(amounts expressed in thousands)*

	University of Florida Foundation, Inc. 6/30/2012	University of Florida Research Foundation, Inc. 6/30/2012	The University Athletic Association, Inc. 6/30/2012	Gator Boosters, Inc. 6/30/2012	The University of Florida Law Center Association, Inc. 6/30/2012	Florida Foundation Seed Producers, Inc. 6/30/2012
CONDENSED STATEMENT OF NET ASSETS						
Assets						
Due from Component Units/University	$ -	$ -	$ 130	$ 3,293	$ 4,799	$ -
Other Current Assets	109,279	156,801	72,524	1,916	1,904	6,387
Capital Assets, Net	68,496	-	174,581	19	-	942
Other Noncurrent Assets	1,516,847	520	46,173	414	-	-
Total Assets	1,694,622	157,321	293,408	5,642	6,703	7,329
Liabilities						
Due to Component Units/University	19,196	13,320	65	4,332	-	2,916
Other Current Liabilities	19,698	25,634	69,490	233	36	98
Noncurrent Liabilities	31,108	29,100	96,496	110	-	-
Total Liabilities	70,002	68,054	166,051	4,675	36	3,014
Net Assets						
Invested in Capital Assets, Net of Related Debt	19,049	-	92,600	19	-	942
Restricted-Nonexpendable Endowment	1,124,605	-	-	414	2,044	-
Restricted-Expendable Endowment	213,943	-	-	-	-	-
Restricted-Other	285,897	-	4,232	-	3,123	-
Unrestricted	(18,874)	89,267	30,525	534	1,500	3,373
Total Net Assets	**$ 1,624,620**	**$ 89,267**	**$ 127,357**	**$ 967**	**$ 6,667**	**$ 4,315**
CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS						
Operating Revenues	$ 76,712	$ 36,492	$ 68,204	$ 42,581	$ 890	$ 2,412
Operating Expenses	(119,209)	(40,004)	(102,112)	(2,502)	(887)	(1,881)
Operating Income (Loss)	(42,497)	(3,512)	(33,908)	40,079	3	531
Nonoperating Revenues (Expenses)						
Investment Income	1,346	2,468	1,961	1,436	2	18
Net Decrease in the Fair Value of Investments	(1,211)	(2,943)	(2,627)	-	-	-
Addition to Permanent Endowments	45,224	-	-	9	-	-
Other	(7,014)	869	(6,912)	-	(181)	3
Transfers from/(to) Component Units	(3,579)	-	50,746	(41,520)	113	-
Change in Net Assets	(7,731)	(3,118)	9,260	4	(63)	552
Net Assets, Beginning of Year	1,632,351	92,385	118,097	963	6,730	3,763
Adjustments to Beginning Net Assets	-	-	-	-	-	-
Net Assets, Beginning of Year, as Restated	1,632,351	92,385	118,097	963	6,730	3,763
Net Assets, End of Year	**$ 1,624,620**	**$ 89,267**	**$ 127,357**	**$ 967**	**$ 6,667**	**$ 4,315**

Florida 4-H Club Foundation, Inc. 3/31/2012	Southwest Florida Research and Education Foundation, Inc. 6/30/2012	Citrus Research and Education Foundation, Inc. 6/30/2012	Citrus Research and Development Foundation, Inc. 6/30/2012	University of Florida Leadership and Education Foundation, Inc. 12/31/2011	Treasure Coast Agricultural Research Foundation, Inc. 6/30/2012	University of Florida Alumni Association, Inc. 6/30/2012	University of Florida Investment Corporation 6/30/2012	Total Direct Support Organizations
$ -	$ -	$ 48	$ -	$ -	$ -	$ -	$ -	$ 8,270
1,448	63	1,528	9,510	2,486	350	-	1,463	365,659
-	75	46	-	-	-	-	70	244,229
971	-	-	-	-	-	-	306	1,565,231
2,419	138	1,622	9,510	2,486	350	-	1,839	2,183,389
-	-	-	-	-	-	-	-	39,829
201	3	43	6,895	1,452	30	-	877	124,690
-	-	-	-	-	-	-	399	157,213
201	3	43	6,895	1,452	30	-	1,276	321,732
-	75	-	2,436	-	-	-	-	115,121
259	-	-	-	-	-	-	-	1,127,322
-	-	-	-	-	-	-	-	213,943
1,148	-	-	-	-	-	-	-	294,400
811	60	1,579	179	1,034	320	-	563	110,871
$ 2,218	**$ 135**	**$ 1,579**	**$ 2,615**	**$ 1,034**	**$ 320**	**$ -**	**$ 563**	**$ 1,861,657**
$ 2,078	$ 60	$ 1,156	$ 11,780	$ 3,941	$ -	$ 2,201	$ -	$ 248,507
(1,994)	(66)	(668)	(12,241)	(3,662)	(133)	(5,899)	(2,250)	(293,508)
84	(6)	488	(461)	279	(133)	(3,698)	(2,250)	(45,001)
64	-	7	24	-	-	-	2	7,328
-	-	-	-	-	-	-	-	(6,781)
-	-	-	-	-	-	-	-	45,233
16	-	-	-	-	-	-	-	(13,219)
105	-	-	-	100	-	3,698	2,250	11,913
269	(6)	495	(437)	379	(133)	-	2	(527)
1,949	141	1,084	3,052	655	453	-	561	1,862,184
-	-	-	-	-	-	-	-	-
1,949	141	1,084	3,052	655	453	-	561	1,862,184
$ 2,218	**$ 135**	**$ 1,579**	**$ 2,615**	**$ 1,034**	**$ 320**	**$ -**	**$ 563**	**$ 1,861,657**

Table 24. Health Science Center Affiliates *(amounts expressed in thousands)*

	Florida Clinical Practice Association, Inc. 6/30/2012	University of Florida Jacksonville Physicians, Inc. 6/30/2012	Faculty Associates, Inc. 6/30/2012
CONDENSED STATEMENT OF NET ASSETS			
Assets			
Due from Component Units/University	$ 4,561	$ 4,545	$ -
Other Current Assets	58,448	50,160	3,546
Capital Assets, Net	32,804	16,278	-
Other Noncurrent Assets	28,896	85	-
Total Assets	124,709	71,068	3,546
Liabilities			
Due to Component Units/University	-	4,993	-
Other Current Liabilities	26,150	11,969	198
Noncurrent Liabilities	264	7,438	-
Total Liabilities	26,414	24,400	198
Net Assets			
Invested in Capital Assets, Net of Related Debt	32,449	8,168	-
Restricted	-	-	-
Unrestricted	65,846	38,500	3,348
Total Net Assets	**$ 98,295**	**$ 46,668**	**$ 3,348**
CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS			
Operating Revenues	$ 306,955	$ 189,757	$ 17,747
Operating Expenses	(98,506)	(95,819)	(240)
Operating Income (Loss)	208,449	93,938	17,507
Nonoperating Revenues (Expenses)			
Investment Income	312	91	2
Net Decrease in the Fair Value of Investments	-	-	-
Other	(265,361)	(110,633)	(17,153)
Transfers from/(to) Component Units	44,760	13,365	-
Change in Net Assets	(11,840)	(3,239)	356
Net Assets, Beginning of Year	110,135	49,907	2,992
Adjustments to Beginning Net Assets	-	-	-
Net Assets, Beginning of Year, as Restated	110,135	49,907	2,992
Net Assets, End of Year	**$ 98,295**	**$ 46,668**	**$ 3,348**

Florida Health Professions Association, Inc. 6/30/2012	University of Florida College of Nursing Faculty Practice Association, Inc. 6/30/2012	University of Florida College of Pharmacy Faculty Practice Association, Inc. 6/30/2012	Florida Veterinary Medicine Faculty Association, Inc. 6/30/2012	University of Florida Jacksonville Healthcare, Inc. 6/30/2012	Faculty Clinic, Inc. 6/30/2012	Total Health Science Center Affiliates
$ -	$ -	$ -	$ -	$ -	$ 10	$ 9,116
4,932	4,182	1,430	9,008	373	1,260	133,339
-	778	-	-	4,336	3,538	57,734
-	-	-	-	-	1,561	30,542
4,932	4,960	1,430	9,008	4,709	6,369	230,731
-	-	-	-	2,288	18	7,299
127	-	51	44	2,052	494	41,085
798	-	-	-	-	4,200	12,700
925	-	51	44	4,340	4,712	61,084
-	778	-	-	4,336	(1,062)	44,669
-	-	-	-	-	1,500	1,500
4,007	4,182	1,379	8,964	(3,967)	1,219	123,478
$ 4,007	**$ 4,960**	**$ 1,379**	**$ 8,964**	**$ 369**	**$ 1,657**	**$ 169,647**
$ 6,009	$ 604	$ 1,748	$ 6,539	$ 215	$ 368	$ 529,942
(17)	(52)	(1,422)	(354)	(29,665)	(1,459)	(227,534)
5,992	552	326	6,185	(29,450)	(1,091)	302,408
-	30	1	5	-	8	449
-	(3)	-	-	-	-	(3)
(7,059)	(2)	-	(5,523)	(14)	(89)	(405,834)
-	(600)	-	-	29,464	1,159	88,148
(1,067)	(23)	327	667	-	(13)	(14,832)
5,074	4,983	1,066	8,297	369	1,670	184,493
-	-	(14)	-	-	-	(14)
5,074	4,983	1,052	8,297	369	1,670	184,479
$ 4,007	**$ 4,960**	**$ 1,379**	**$ 8,964**	**$ 369**	**$ 1,657**	**$ 169,647**

Table 25. Shands Hospital and Others *(amounts expressed in thousands)*

	Shands Teaching Hospital & Clinics, Inc. 6/30/2012	Shands Jacksonville HealthCare, Inc. 6/30/2012	University Village Apartments, Inc. 6/30/2012	Total Shands Hospital and Others
CONDENSED STATEMENT OF NET ASSETS				
Assets				
Due from Component Units/University	$ 5,699	$ -	$ 112	$ 5,811
Other Current Assets	377,805	195,331	97	573,233
Capital Assets, Net	721,169	179,426	560	901,155
Other Noncurrent Assets	452,402	42,974	466	495,842
Total Assets	1,557,075	417,731	1,235	1,976,041
Liabilities				
Due to Component Units/University	9,387	-	-	9,387
Other Current Liabilities	176,498	105,586	1,275	283,359
Noncurrent Liabilities	555,868	139,936	-	695,804
Total Liabilities	741,753	245,522	1,275	988,550
Net Assets				
Invested in Capital Assets, Net of Related Debt	234,390	86,439	528	321,357
Restricted-Nonexpendable Endowment	97	-	-	97
Restricted-Other	8,750	3,843	-	12,593
Unrestricted	572,085	81,927	(568)	653,444
Total Net Assets	**$ 815,322**	**$ 172,209**	**$ (40)**	**$ 987,491**
CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS				
Operating Revenues	$ 1,086,166	$ 516,145	$ 1,395	$ 1,603,706
Operating Expenses	(918,553)	(508,458)	(1,870)	(1,428,881)
Operating Income (Loss)	167,613	7,687	(475)	174,825
Nonoperating Revenues (Expenses)				
Investment Income	11,424	2,490	1	13,915
Net Increase in the Fair Value of Investments	180	-	-	180
Other	(41,576)	(31,357)	(3)	(72,936)
Transfers from/(to) Component Units	(53,290)	-	-	(53,290)
Change in Net Assets	84,351	(21,180)	(477)	62,694
Net Assets, Beginning of Year	730,971	193,389	214	924,574
Adjustments to Beginning Net Assets	-	-	223	223
Net Assets, Beginning of Year, as Restated	730,971	193,389	437	924,797
Net Assets, End of Year	**$ 815,322**	**$ 172,209**	**$ (40)**	**$ 987,491**

Table 26. Segment Information

	Transportation and Parking Services 6/30/2012	Department of Housing and Residence Education 6/30/2012
CONDENSED STATEMENT OF NET ASSETS		
Assets		
Current Assets	$ 8,042,565	$ 9,862,165
Capital Assets, Net	41,794,548	93,518,829
Other Noncurrent Assets	7,504,075	30,339,232
Total Assets	57,341,188	133,720,226
Liabilities		
Current Liabilities	1,162,398	10,203,987
Noncurrent Liabilities	24,817,847	71,068,252
Total Liabilities	25,980,245	81,272,239
Net Assets		
Invested in Capital Assets, Net of Related Debt	17,242,404	45,827,785
Restricted	7,014,243	2,939,347
Unrestricted	7,104,296	3,680,855
Total Net Assets	**$ 31,360,943**	**$ 52,447,987**
CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS		
Operating Revenues (Expenses):		
Operating Revenues	$ 20,840,292	$ 45,225,966
Depreciation Expense	(2,316,819)	(4,497,803)
Other Operating Expenses	(13,104,635)	(37,798,289)
Operating Income	5,418,838	2,929,874
Nonoperating Revenues (Expenses):		
Investment Income	307,332	1,042,348
Interest on Capital Asset-Related Debt	(1,321,708)	(2,265,217)
Other	(1,018,316)	(3,845,576)
Transfers	851,899	7,943,096
Net Nonoperating Revenues (Expenses)	(1,180,793)	2,874,651
Change in Net Assets	4,238,045	5,804,525
Net Assets, Beginning of Year	27,122,898	46,643,462
Net Assets, End of Year	**$ 31,360,943**	**$ 52,447,987**
CONDENSED STATEMENT OF CASH FLOWS		
Net Cash Provided (Used) by:		
Operating Activities	$ 6,060,656	$ 5,489,005
Noncapital Financing Activities	(348,064)	(8,998,774)
Capital and Related Financing Activities	(3,875,793)	18,319,730
Investing Activities	(1,836,756)	(21,118,776)
Net Increase (Decrease) in Cash and Cash Equivalents	43	(6,308,815)
Cash and Cash Equivalents, Beginning of Year	43	14,439,027
Cash and Cash Equivalents, End of Year	**$ 86**	**$ 8,130,212**

Other Required Supplementary Information
Schedule of Funding Progress – Other Postemployment Benefits Plan *(amounts expressed in thousands)*

Actuarial Valuation Date (1)	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (2) (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	$ -	$ 269,126	$ 269,126	0%	$ 788,732	34%
7/1/2009	-	455,677	455,677	0%	948,375	48%
7/1/2011	-	643,742	643,742	0%	996,686	65%

(1) *7/1/2007 was the first year the Postemployment Benefit was accrued.*
(2) *The entry age cost actuarial method is used by the University.*

Notes to Required Supplementary Information:
Schedule of Funding Progress – Other Postemployment Benefits Plan
The July 1, 2011, unfunded actuarial liability of $643.7 million was significantly higher than the July 1, 2009, liability of $455.7 million primarily as a result of changes in the methodology used by the actuary to calculate this liability. The most significant of these 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.

Financial Aid Administered for the Year Ended June 30, 2012 *(unaudited)*

	Number of Recipients	Aid Disbursed
Federal Programs		
Pell Grants	12,383	$ 46,556,249
Supplemental Educational Opportunity Grants	3,318	2,114,449
National SMART Grant	238	203,437
Academic Competitiveness Grants	589	129,892
TEACH Grant	12	39,500
Perkins Student Loans	1,339	3,814,365
Health Professions Student Loans (PCL, LDS, HPSL)	62	567,466
Direct Loans	20,284	245,794,280
TOTAL FEDERAL FINANCIAL AID ADMINISTERED	**38,225**	**$ 299,219,638**
State Programs		
Loans:		
University of Florida Short-Term Loans	656	$ 771,088
Student Aid For Education (SAFE) Loans	82	178,750
University of Florida Long-Term Loans	177	681,255
Total Loans Administered	915	1,631,093
Scholarships and Grants:		
State of Florida Financial Aid Program	30,542	66,363,995
Lottery Trust Grant Funded Waivers	396	1,410,373
Total State Scholarships and Grants Administered	30,938	67,774,368
TOTAL STATE FINANCIAL AID ADMINISTERED	**31,853**	**$ 69,405,461**
Other Scholarships and Grants		
Institutional Grants:		
College Awarded Scholarships	12,316	$ 39,489,728
Graduate Tuition Remission Waivers	2,990	20,574,986
General Scholarships	8,058	12,085,789
Total Institutional Scholarships and Grants	23,364	72,150,503
Custodial Scholarships:		
Tuition, Trusts, Clubs, Service Organizations, etc.	4,829	10,876,596
TOTAL OTHER SCHOLARSHIPS AND GRANTS	**28,193**	**$ 83,027,099**
Fee Waivers		
Non-Resident Tuition Waivers	406	$ 5,106,636
Other Waivers	5,421	37,200,927
TOTAL FEE WAIVERS ADMINISTERED	**5,827**	**$ 42,307,563**
TOTAL FINANCIAL AID ADMINISTERED		**$ 493,959,761**

AUDITOR GENERAL
STATE OF FLORIDA

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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 the University of Florida, 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*.

We noted certain matters that we reported to University management in our operational audit report No. 2013-027.

This **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
December 13, 2012
Audit Report No. 2013-063

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UNIVERSITY OF FLORIDA DEPARTMENT OF HOUSING AND RESIDENCE EDUCATION

HOUSING SYSTEM REVENUE FUND (1984, 1998, 2005A, 2011A, AND 2012A BOND SERIES)

FINANCIAL STATEMENTS

JUNE 30, 2013 AND 2012

UNIVERISTY OF FLORIDA DEPARTMENT OF HOUSING AND RESIDENCE EDUCATION
HOUSING SYSTEM REVENUE FUND
(1984, 1998, 2005A, 2011A, AND 2012A BOND SERIES)
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JUNE 30, 2013 AND 2012

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James Moore
Certified Public Accountants and Consultants

INDEPENDENT AUDITORS' REPORT

University of Florida Department of
Housing and Residence Education
Gainesville, Florida:

Report on the Financial Statements

We have audited the accompanying financial statements of the University of Florida Department of Housing and Residence Education's (UFDHRE) Housing System Revenue Fund (comprised of the 1984, 1998, 2005A, 2011A, and 2012A Bond Series), which comprise the statements of net position as of June 30, 2013 and 2012, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the UFDHRE Housing System Revenue Fund, as of June 30, 2013 and 2012, and the changes in its net position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matter

As discussed in Note 1, the financial statements of UFDHRE are intended to present the financial position, and the changes in net position and cash flows of the University of Florida that is attributable to the transactions of the Department of Housing and Residence Education. They do not purport to, and do not, present fairly the financial position of the University of Florida as of June 30, 2013 and 2012, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

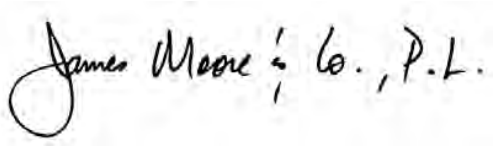
Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the UFDHRE's financial statements as a whole. The accompanying Certificate and Interest Sinking Fund statements of net position and statements of changes in net position for the 1984, 1998, 2005A, 2011A and 2012A Bond Series, and related Holding Fund, Building Maintenance and Equipment Reserve Fund and Schedule of Outstanding Debts on pages 23 through 37, are prepared on the modified cash basis, and are presented for purposes of additional analysis and are not a required part of the financial statements.

The Certificate and Interest Sinking Fund statements of net position and statements of changes in net position for the 1984, 1998, 2005A, 2011A and 2012A Bond Series, and related Holding Fund, Building Maintenance and Equipment Reserve Fund and Schedule of Outstanding Debts are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of

America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated September 20, 2013, on our consideration of UFDHRE's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering UFDHRE's internal control over financial reporting and compliance.



Gainesville, Florida
September 20, 2013

UNIVERISTY OF FLORIDA DEPARTMENT OF HOUSING AND RESIDENCE EDUCATION
HOUSING SYSTEM REVENUE FUND
(1984, 1998, 2005A, 2011A, AND 2012A BOND SERIES)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013 AND 2012

The University of Florida Department of Housing and Residence Education (UFDOHRE) is an auxiliary enterprise of the University of Florida. This section of UFDOHRE's annual financial report presents our discussion and analysis of UFDOHRE's financial performance during the fiscal years ending June 30, 2013, and June 30, 2012. It should be read in conjunction with UFDOHRE's financial statements, which follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Statements of Net Position and the Statements of Revenues, Expenses and Changes in Net Position provide information about the activities of UFDOHRE and present a longer term view of UFDOHRE's financial position. The Statement of Cash Flows provides information regarding net cash from (used in) various activities of UFDOHRE.

The financial statements also include notes that explain information in the financial statements and provide more detailed data. These notes form an integral part of these financial statements and should be read as a part of the financial statements in order for the reader to have a clear understanding of UFDOHRE's activities and performance.

FINANCIAL ANALYSIS OF THE AUXILIARY

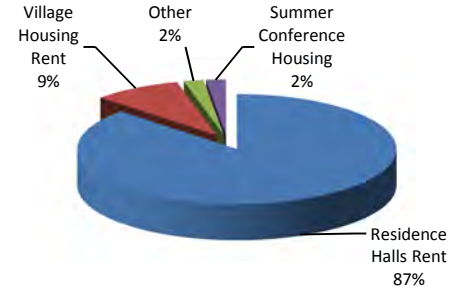
The following select financial information was derived from UFDOHRE's complete set of financial statements included in this report. It is presented to support management's analysis of financial position and results of operations that follows this information.

The Auxiliary's Net Position

	2013	2012	2011
Current Assets	$ 4,449,283	$ 9,855,464	$ 15,499,468
Non-Current Assets	2,386,114	2,643,591	3,327,776
Total Assets	6,835,397	12,499,055	18,827,244
Current Liabilities	5,771,288	5,121,947	5,994,364
Non-Current Liabilities	1,037,361	1,052,662	1,632,056
Total Liabilities	6,808,649	6,174,609	7,626,420
Invested in Capital Assets, Net of Related Debt	2,386,114	2,643,591	3,327,776
Unrestricted	(2,359,366)	3,680,855	7,873,048
Total Net Position	$ 26,748	$ 6,324,446	$ 11,200,824

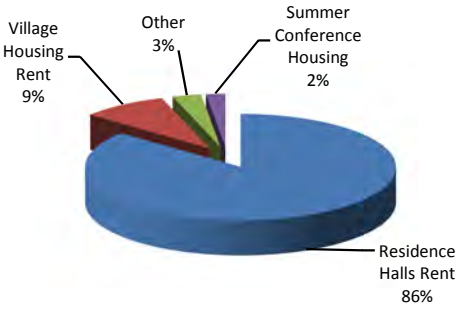
THE AUXILIARY'S ACTIVITIES

Sources of Revenue for Fiscal Year 2013



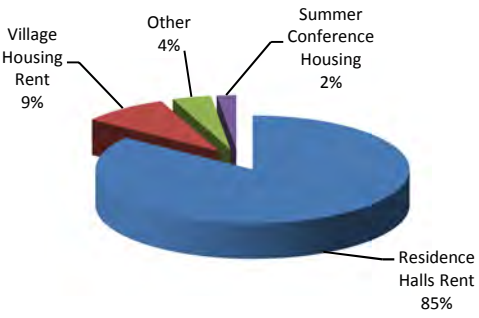
Total Revenues $48,969,569

Sources of Revenue for Fiscal Year 2012



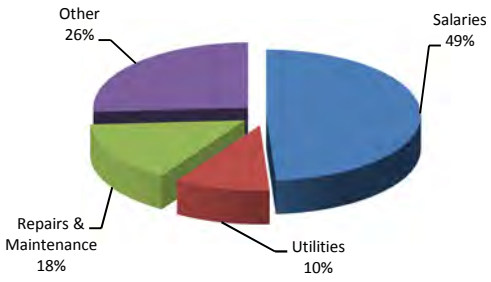
Total Revenues $45,673,023

Sources of Revenue for Fiscal Year 2011



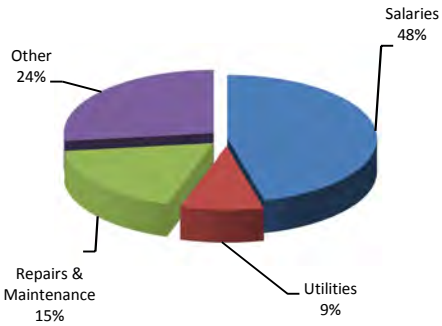
Total Revenues $44,676,133

Expenses for Fiscal Year 2013



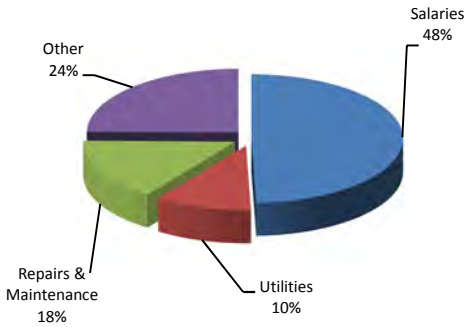
Total Expenses (excluding transfers) $38,209,725

Expenses for Fiscal Year 2012



Total Expenses (excluding transfers) $39,527,822

Expenses for Fiscal Year 2011



Total Expenses (excluding transfers) $37,749,343

Changes in Net Position

	2013	2012	2011
Operating	$ 48,678,910	$ 45,225,966	$ 43,916,808
Non-operating	290,659	447,057	759,325
Total Revenues	48,969,569	45,673,023	44,676,133
Operating	38,044,594	38,685,595	37,664,273
Non-operating	165,131	842,227	85,070
Total Expenses	38,209,725	39,527,822	37,749,343
Excess(deficiency) before transfers	10,759,844	6,145,201	6,926,790
Total Transfers	(17,057,542)	(11,021,579)	(18,175,787)
Change in Net Position	$(6,297,698)	$ (4,876,378)	$ (11,248,997)

FINANCIAL POSITION AND RESULTS OF OPERATION

The combined activities of UFDOHRE are required to be reported in one enterprise fund. Enterprise fund statements offer short-term and long-term financial information for activities that are operated like a business. The UFDOHRE is self-supporting, receiving no State support and as such, charges a fee for all services it provides.

UFDOHRE attempts to operate on a financial breakeven basis by generating revenue sufficient to cover operating costs, debt service and provide for long-term maintenance of buildings. Operating revenues were $48,678,910 for the fiscal year ended June 30, 2013, and $45,225,966 for the fiscal year ended June 30, 2012, generating an operating profit of $10,634,316 and $6,540,371 respectively. There was a 4.5% increase in rental rates for fiscal year ending June 30, 2013.

In the Statements of Cash Flows, net cash flow from operations was $12,104,118 and $5,489,005 for the fiscal year ending June 30, 2013 and 2012, respectively. Net cash flow was sufficient to cover UFDOHRE's long-term debt service transfer of $6,813,493 and $4,895,778 respectively.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

	2013	2012	2011
Furniture and Equipment	$ 7,842,074	$ 7,848,764	$ 8,728,049
(Accumulated Depreciation)	(5,455,960)	(5,205,173)	(5,400,273)
Net Furniture and Equipment	$ 2,386,114	$ 2,643,591	$ 3,327,776

As of July 1, 2011 the state increased the capitalization for furniture and equipment from $1,000 to $5,000. UFDOHRE categorizes furniture and equipment costing $5,000 or greater, by residence hall and village housing areas. All items are decaled and inventoried annually.

The land and buildings (twenty-four residence halls and four graduate and family housing apartment complexes) are owned by the University of Florida and the State of Florida and, therefore are not recorded by the UFDOHRE as an asset. Refer to the Notes to Financial Statements (Note 3).

Long-Term Debt

The long-term debt associated with the bonds outstanding, is in the name of and reported in the University of Florida's Comprehensive Annual Financial Report. At fiscal year ending June 30, 2013, there was $70,180,000 in bonds outstanding. Refer to Notes to Financial Statements (Note 4).

OTHER MATTERS

These financial statements portray UFDOHRE's operating performance and financial position for the fiscal year ending June 30, 2013 and 2012. UFDOHRE continues with a strong financial position meeting all debt service requirements. We have continued our commitment to upgrading our facilities with expenditures for capital improvements projects of $10,280,622 and $6,160,297 for the fiscal years ending 2013 and 2012 respectively.

UFDOHRE revised our Master Plan 2012-2018, as we continue to look toward the future of renovation of our facilities, as well as building a new residence hall. Since development of the Housing Master Plan, our department completed many planned renovation projects including installation of fire sprinkler and alarm systems, electrical support for sprinklers, flooring removal and replacement, bathroom renovations, domestic water line replacement and window removal and replacement projects are planned. To date, Riker, Reid, North, Mallory, Yulee, Tolbert, East, Jennings, the west and northeast wings of Broward, Simpson, Weaver and Keys Buildings 1002, 1003, 1004, 1005, 1006, and 1007 residence halls have been completed as a result of this Master Plan.

Several other major constructions were completed and began during the fiscal year. The renovation of Weaver Hall was completed. Each summer work continues on renovating Broward Hall, which is one of the largest facilities on-campus. Renovations include new bathrooms (new showers and sinks), new kitchen lounges with new furniture, new floors, residential furniture and wardrobes in the student rooms. This past fiscal year, the electrical upgrade for Broward Hall was completed.

Another large renovation project completed was the Tanglewood Commons and Laundry facility in one of the on-campus Graduate and Family Housing communities. Renovations included a new common room with furniture, new flat panel television and recreational room for residents to enjoy. Included in the renovation was a workout room and new laundry room.

Additionally, UFDOHRE continues to use the financing from 2012A construction bond in the amount of $27,196,685 for renovations. The remaining funds will be used to complete the renovation of eleven buildings in Corry Village and add air conditioning to Thomas and Buckman Hall over the next three years

UNIVERSITY OF FLORIDA DEPARTMENT OF
HOUSING AND RESIDENCE EDUCATION
HOUSING SYSTEMS REVENUE FUND
(1984, 1998, 2005A, 2011A, AND 2012A BOND SERIES)
STATEMENTS OF NET POSITION
JUNE 30, 2013 AND 2012

ASSETS

	2013	2012
Current assets		
Cash and cash equivalents	$ 3,000,264	$ 8,127,014
Accounts receivable	1,000,825	1,332,142
Student receivables (less allowance of $92,354 and $265,177 at June 30, 2013 and 2012, respectively)	131,647	93,119
Interest receivable	3,689	21,068
Inventory	312,858	282,121
Total current assets	4,449,283	9,855,464
Noncurrent assets		
Capital assets:		
Furniture and equipment	7,842,074	7,848,764
Accumulated depreciation	(5,455,960)	(5,205,173)
Total noncurrent assets	2,386,114	2,643,591
Total Assets	$ 6,835,397	$ 12,499,055

LIABILITIES AND NET POSITION

Current liabilities		
Accounts payable	$ 1,478,268	$ 921,460
Retainage payable	389,236	278,498
Unearned rent	3,813,784	3,831,989
Compensated absences, current portion	90,000	90,000
Total current liabilities	5,771,288	5,121,947
Noncurrent liabilities		
Compensated absences, less current portion	1,037,361	1,052,662
Total noncurrent liabilities	1,037,361	1,052,662
Total liabilities	6,808,649	6,174,609
Net Position		
Invested in capital assets	2,386,114	2,643,591
Unrestricted	(2,359,366)	3,680,855
Total net position	26,748	6,324,446
Total Liabilities and Net Position	$ 6,835,397	$ 12,499,055

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

UNIVERSITY OF FLORIDA DEPARTMENT OF
HOUSING AND RESIDENCE EDUCATION
HOUSING SYSTEMS REVENUE FUND
(1984, 1998, 2005A, 2011A, AND 2012A BOND SERIES)
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
JUNE 30, 2013 AND 2012

	2013	2012
Operating revenue		
Residence hall rents	$ 48,678,910	$ 45,225,966
Operating expenses		
Salaries and related fringe benefits	18,480,556	18,012,013
Utilities	3,836,484	3,669,916
Repairs and maintenance	5,580,087	7,100,377
Small furniture and equipment	2,171,159	2,172,088
Depreciation	684,448	887,306
Other expenses	7,291,860	6,843,895
Total operating expenses	38,044,594	38,685,595
Operating income	10,634,316	6,540,371
Nonoperating revenues (expenses)		
Investment revenue	285,262	447,057
Miscellaneous revenue	5,397	-
Financial scholarship transfer	(49,600)	(34,100)
Loss on equipment disposals	(115,531)	(808,127)
Total nonoperating revenues (expenses)	125,528	(395,170)
Income before transfers	10,759,844	6,145,201
Transfers		
Donated surplus	36,613	34,496
Capital contributions to plant fund	(10,280,662)	(6,160,297)
Debt service transfer	(6,813,493)	(4,895,778)
Total transfers	(17,057,542)	(11,021,579)
Decrease in net position	(6,297,698)	(4,876,378)
Net position, beginning of year	6,324,446	11,200,824
Net position, end of year	$ 26,748	$ 6,324,446

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

UNIVERSITY OF FLORIDA DEPARTMENT OF
HOUSING AND RESIDENCE EDUCATION
HOUSING SYSTEMS REVENUE FUND
(1984, 1998, 2005A, 2011A, AND 2012A BOND SERIES)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
Cash flows from operating activities		
Cash received for rental charges	$ 48,953,494	$ 45,157,535
Payments for salaries and benefits	(18,495,857)	(18,591,407)
Payments to vendors	(18,353,519)	(21,077,122)
Net cash provided by operating activities	12,104,118	5,489,006
Cash flows from noncapital financial activities		
Transfers to Plant Fund	(10,169,924)	(6,360,019)
Transfers for debt service	(6,813,493)	(4,895,778)
Scholarship transfer	(49,600)	(34,100)
Donated surplus	36,613	34,496
Net cash used in noncapital financial activities	(16,996,404)	(11,255,401)
Cash flows from capital and related financial activities		
Purchases of capital assets	(542,502)	(1,011,248)
Net cash used in capital and related financing activities	(542,502)	(1,011,248)
Cash flows from investing activities		
Investment income	302,641	471,729
Other revenue	5,397	-
Net cash provided by investing activities	308,038	471,729
Net decrease in cash and cash equivalents	(5,126,750)	(6,305,914)
Cash and cash equivalents, beginning of year	8,127,014	14,432,928
Cash and cash equivalents, end of year	$ 3,000,264	$ 8,127,014

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

UNIVERSITY OF FLORIDA DEPARTMENT OF HOUSING
HOUSING AND RESIDENCE EDUCATION
HOUSING SYSTEMS REVENUE FUND
(1984, 1998, 2005A, 2011A, AND 2012A BOND SERIES)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012
(Continued)

	2013	2012
Reconciliation of operating income to net cash provided by operating activities		
Operating income	$ 10,634,316	$ 6,540,371
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	684,448	887,306
Bad debts (recoveries)	(172,823)	(64,108)
Decrease (increase) in accounts receivable	331,317	(649,095)
Decrease in student receivables	134,295	57,856
Increase (decrease) in accounts payable	556,808	(1,259,609)
Decrease in compensated absences	(15,301)	(579,394)
Increase in inventory	(30,737)	(31,235)
Increase (decrease) in unearned rent	(18,205)	586,914
Total adjustments	1,469,802	(1,051,365)
Net cash provided by operating activities	$ 12,104,118	$ 5,489,006

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

UNIVERISTY OF FLORIDA DEPARTMENT OF HOUSING AND RESIDENCE EDUCATION
HOUSING SYSTEM REVENUE FUND
(1984, 1998, 2005A, 2011A, AND 2012A BOND SERIES)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

(1) **Summary of Significant Accounting Policies:**

The following is a summary of the more significant accounting policies of the University of Florida Department of Housing and Residence Education (UFDHRE) which affect significant elements of the accompanying financial statements.

(a) **Reporting entity**—UFDHRE is a department of the University of Florida (the "University") located in Gainesville, Florida and is responsible for maintaining facilities and programming in support of the on-campus community. The President of the University is responsible for the management of the University, and UFDHRE operates as a department of the University under control of the Associate Vice President for Student Affairs. These financial statements include only those funds under the administrative control of the Associate Vice President for Student Affairs that relate directly to the operations of UFDHRE. These statements do not purport to present the financial position of the University as a whole.

(b) **Measurement focus, basis of accounting, and financial statement presentation**—The financial statements of the UFDHRE have been prepared using the economic resources measurement focus and the accrual basis of accounting. Under these methods, revenues are recorded when earned and the expenses are recognized when they are incurred.

UFDHRE distinguishes operating revenues and expenses from non-operating items. Operating revenues are those revenues that are generated from the primary operations of UFDHRE, which includes activities that have the characteristics of exchange transactions, such as residence halls and apartment rent, utilities, vending, and miscellaneous tenant charges. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of UFDHRE. All other expenses are reported as non-operating expenses.

The Corporation follows GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, which establishes financial reporting standards for state and local governments, including states, cities, towns, villages, and special purpose governments such as school districts and public utilities and GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*, an amendment to GASB Statement No. 34 for public colleges and universities to allow the use of the guidance for special-purpose governments engaged only in business-type activities, engaged only in government activities, or engaged in both governmental and business-type activities in their separately issued reports.

(c) **Net position**—The UFDHRE Housing System Revenue Fund's net position is classified as follows:

Invested in capital assets, net of related debt—Represents the UFDHRE's total investment in capital assets, net of outstanding debt obligations related to those capital assets. At June 30, 2013 and 2012, there is no related debt.

Unrestricted—Represents net position that is not restricted for any purpose and available for current operations.

(1) **Summary of Significant Accounting Policies:** (Continued)

(d) **Accounts receivable**—Accounts receivable are valued at net realizable value and are unsecured. It is UFDHRE Housing System Revenue Fund's policy to provide an allowance for accounts receivable that are not expected to be collected. All amounts for accounts receivable are expected to be collected and, therefore, no allowance has been recorded.

(e) **Student receivables and allowance for doubtful accounts**—The student tenant receivables detail is maintained under the University of Florida Student Accounts Receivable accounting system and includes student accounts outstanding. Annually, UFDHRE Housing System Revenue Fund calculates the amount 120 days past due and fully allows for such amounts, adjusting the allowance for doubtful accounts through bad debt expense.

(f) **Furniture and equipment**—UFDHRE Housing System Revenue Fund capitalizes all furniture and equipment acquisitions in excess of $5,000 and records these items at purchased cost. Fabricated furniture is recorded at actual cost to construct and includes labor and materials.

Expenditures for repairs and maintenance are expensed when incurred.

Residence halls and family housing buildings are owned by the University of Florida and recorded by the University of Florida Plant Fund. UFDHRE Housing System Revenue Fund does not include the buildings on their balance sheet. Major building repairs and replacements incurred by UFDHRE Housing System Revenue Fund are recorded as “Capital contributions to plant fund” as shown in the statements of revenues, expenses, and changes in net assets.

(g) **Inventory**—Inventory consists of materials and supplies primarily to make furniture. Materials and supplies inventories are valued at the lower of cost or market using the first-in, first-out method (FIFO).

(h) **Unearned rent**—Unearned rent represents rent collected in June of the current year for summer and fall academic terms held in the subsequent year and July Graduate and Family Housing rent billed and collected in June.

(i) **Compensated absences**—The liability for compensated absences represents employees’ accrued annual and sick leave based on length of service subject to certain limitations as defined by state statute and University policies.

(j) **Depreciation**—UFDHRE records depreciation using the straight-line method. The straight-line method calculates depreciation over the estimated useful lives of the assets. For the years ended June 30, 2013 and 2012, depreciation expense totaled $684,448 and $887,306, respectively.

(k) **Income taxes**—As an auxiliary entity of the University of Florida, UFDHRE Housing System Revenue Fund exists to furnish housing to students and charges a fee directly related to the cost to provide. Accordingly, UFDHRE is a tax exempt activity of the University of Florida.

(l) **Cash and cash equivalents**—For the purposes of the statements of cash flows, cash and cash equivalents consist of pooled cash and investments with the University of Florida, who acts as UFDHRE's fiscal agent. University cash deposits are held in banks qualified as public depositories

(1) **Summary of Significant Accounting Policies:** (Continued)

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 in accordance with Florida statutes.

(m) **Concentration of credit risk**—Student accounts receivable consist of residence halls rent, monthly apartment rental, utilities, and miscellaneous charges. The total represents charges for prior months that are still outstanding and owed by former and current University of Florida students.

(n) **Accounting estimates**—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(o) **Budget**—Each year management prepares a proposed budget which is submitted and approved by the Board of Trustees of the University of Florida.

(p) **New accounting pronouncements**—In March 2012, the Government Accounting Standards Board (GASB) issued GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities.* GASB 65 clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. GASB Concepts Statement (CON) No. 4, *Elements of Financial Statements,* specifies that recognition of deferred outflows and deferred inflows should be limited to those instances specifically identified in authoritative GASB pronouncements. Consequently, guidance was needed to determine which balances being reported as assets and liabilities should actually be reported as deferred outflows of resources or deferred inflows of resources, according to the definitions in CON 4. Based on those definitions, GASB 65 reclassifies certain items currently being reported as assets and liabilities as deferred outflows of resources and deferred inflows of resources. In addition, GASB 65 recognizes certain items currently being reported as assets and liabilities as outflows of resources and inflows of resources. The requirements of GASB 65 are effective for fiscal year 2014. UFDHRE is currently evaluating the effect this Statement will have on its financial statements.

In January 2013, GASB issued GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*. GASB 69 is intended to improve accounting and financial reporting for U.S. state and local government combinations and disposals of government operations. Government combinations include mergers, acquisitions, and transfers of operations. A disposal of government operations can occur through a transfer to another government or sale. The requirements of GASB 69 are effective for periods beginning after December 15, 2003, and should be applied on a prospective basis. UFDHRE is currently evaluating the effect this Statement will have on its financial statements.

(2) **Pooled Cash and Investments:**

GASB Statement No. 40, *Deposit and Investment Risk Disclosures,* requires additional disclosure concerning certain investment and deposit risk attributes for custodial credit risk, concentration of credit risk, credit risk, foreign currency risk, and interest rate risk.

UFDHRE Housing System Revenue Fund's pooled cash and investments are with the University of Florida, who acts as UFDHRE's fiscal agent.

The pooled cash and investments held on behalf of UFDHRE Housing System Revenue Fund by the University of Florida consist of the State Treasury Special Purpose Investment Account (SPIA), an external investment pool, and investment contracts held by the University of Florida Investment Corporation (UFICO).

UFDHRE has not established an investment policy for its investments but follows the investment policy of the University of Florida who acts as their fiscal agent.

At June 30, UFDHRE's pooled cash and investment balance is as follows:

	2013	2012
Petty cash	$ 900	$ 900
SPIA	2,146,669	6,712,739
Investment contracts	852,696	1,413,375
Total pooled cash and investments	$ 3,000,264	$ 8,127,014

As a participant in SPIA, the University of Florida owns a share of the pool, not the underlying securities. The amounts included in these pools can be withdrawn on demand and are treated as cash and cash equivalents in the statement of cash flows. 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 the financial statements of the State's Comprehensive Annual Financial Report.

The investment contracts consists of units of ownership in limited partnerships formed to invest in various investment opportunities. These limited partnerships are managed by UFICO on behalf of the University of Florida.

The following information, as required by GASB Statement No. 40, is presented by UFDHRE as follows:

(a) **Custodial credit risk**—UFDHRE investment in SPIA is not subject to custodial credit risk.

(b) **Concentration of credit risk**—UFDHRE investment in SPIA is not subject to concentration of credit risk.

(2) **Pooled Cash and Investments:** (Continued)

(c) **Credit risk**—SPIA is rated by Standard & Poor's and the rating, as of June 30, 2013 and 2012, is Af.

(d) **Interest rate risk**—The effective duration of SPIA is 2.65 years and 2.38 years as of June 30, 2013 and 2012, respectively.

(e) **Foreign currency risk**—UFDHRE investment in SPIA is not subject to foreign currency risk.

(3) **Furniture and Equipment:**

UFDHRE Housing System Revenue Fund categorizes furniture and equipment by residence hall and graduate and family housing areas where the items are located. All items are decaled and inventoried annually.

Furniture and equipment activity for the year ended June 30, 2013, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Furniture and equipment	$ 7,848,764	$ 561,813	$ 568,503	$ 7,842,074
Less: Accumulated depreciation	5,205,173	684,448	433,661	5,455,960
Net furniture and equipment	$ 2,643,591	$ (122,635)	$ 134,842	$ 2,386,114

Furniture and equipment activity for the year ended June 30, 2012, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Furniture and equipment	$ 8,728,049	$ 1,015,247	$ 1,894,532	$ 7,848,764
Less: Accumulated depreciation	5,400,273	887,306	1,082,406	5,205,173
Net furniture and equipment	$ 3,327,776	$ 127,941	$ 812,126	$ 2,643,591

The land and buildings are owned by the University of Florida and the State of Florida and, therefore, are not recorded by UFDHRE Housing System Revenue Fund as an asset. At June 30, 2013 and 2012, the University of Florida recorded the value of the buildings constructed with the Revenue Fund bond proceeds at $130,012,258 and $125,585,950, respectively. The current insured value of the buildings and contents is approximated at $228,245,000.

(4) **Bonds Held by Related Party:**

Bonds and revenue certificates were issued to construct student housing facilities. Outstanding bonds and revenue certificates include both term and serial bonds and are secured by a pledge of housing rental revenues.

Debt service on the bonds is paid from the gross revenues from operations. It is expected that these funds will continue to be sufficient to make the debt service payments.

The outstanding balances on the bonds payable are recorded by the University of Florida and are not a liability to UFDHRE Housing System Revenue Fund. The revenues of UFDHRE Housing System Revenue Fund are pledged for payment as follows:

1984 Series Bond
The University of Florida Housing Revenue Certificates, Series Bond 1984, is secured solely by the net revenues of the Housing System. Debt service for these bonds is paid from the operating revenue of the Housing System. The debt service reserve requirement of $187,000 has been funded.

	2013	2012
Payable at June 30	$ 180,000	$ 355,000

1998 Series Bond
The University of Florida Housing Revenue Certificates, Series 1998, were paid off in their entirety in 2012.

2005A Series Bond
The University of Florida Housing Revenue Certificates, Series 2005A, were issued in November 2005 to redeem the 1993 Series Bonds maturing 2006-2023 and the 2000 Series Bonds maturing 2011-2030 to be redeemed July 2010. Debt service for these bonds is paid from the operating revenue of the Housing System. The payment of the principal and interest is secured by the municipal bond insurance policy issued by Financial Guaranty Insurance Company.

	2013	2012
Payable at June 30	$ 30,345,000	$ 31,760,000

2011A Series Bond
The University of Florida Housing Revenue Certificates, Series 2011A, were issued in November 2011 to redeem the 1998 Series Bonds maturing 2012-2028. Debt service for these bonds is paid from the operating revenue of the Housing System.

	2013	2012
Payable at June 30	$ 14,035,000	$ 15,245,000

(4) **Bonds Held by Related Party:** (Continued)

2012A Series Bond
The University of Florida Dormitory Revenue Bonds, Series 2012A, were issued in April 2012 for the renovation of Corry Village, Weaver Hall, Buckman Hall and Thomas Hall. Debt service for these bonds is paid for from the operating revenue of the Housing System.

	2013	2012
Payable at June 30	$ 25,620,000	$ 26,500,000

(5) **Compensated Absence Liability:**

Employees earn the right to be compensated for annual leave (vacation) and sick leave pursuant to the University of Florida policy. Leave earned is accrued to the credit of the employee, and records are kept on each employee's unpaid leave balances.

Compensated absence liability activity for the year-end June 30, 2013, was as follows:

Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
$ 1,142,662	$ 88,623	$ 103,924	$ 1,127,361	$ 90,000

Compensated absence liability activity for the year-end June 30, 2012, was as follows:

Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
$ 1,722,056	$ 288,000	$ 867,394	$ 1,142,662	$ 90,000

(6) **Transfers:**

The UFDHRE Housing System Revenue Fund transfers an amount necessary to make the annual principal and interest bond payment for the 1984, 1998, 2005A, 2011A, and 2012A Series Bonds to the appropriate Housing System certificates and interest sinking fund. For the years ended June 30, the following amounts were transferred:

	2013	2012
1984 Series	$ 185,650	$ 185,750
1998 Series	241	298,119
2005A Series	2,971,329	2,964,231
2011A Series	1,721,931	1,447,678
2012A Series	1,934,342	-
Total transferred	$ 6,813,493	$ 4,895,778

(7) **Payroll and Retirement Plans:**

All employees working at the Department of Housing are employees of the State of Florida and follow the hiring guidelines and pay policies of the University of Florida. The salary expense and related fringe benefits are recorded as expenses to UFDHRE Housing System Revenue Fund. The Florida Retirement System (FRS), a state-administered cost-sharing multiple employer public employee defined benefit plan, covers most employees working in regularly established positions.

(8) **Risk Management:**

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, and fleet automotive liability. For property losses, the State retains the first $2 million of losses for each occurrence with an annual aggregate retention of $58.75 million for named wind and flood losses and no annual aggregate retention for all other named perils. After the annual aggregate retention, losses in excess of $2 million per occurrence were commercially insured up to $58.75 million for named wind and flood losses. For perils other than named wind 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 $100,000 per person and $200,000 per occurrence as set by Section 768.28, Florida Statutes. Calculation of premiums considers the cash needs of the program and the amount of risk exposure for each participant. There have been no significant reductions in insurance coverage from the prior year coverage. Settlements have not exceeded insurance coverage during the past three years.

Pursuant to Section 110.123, Florida Statutes, University employees may obtain healthcare services through participation in the State's 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.

(9) **Post-Employment Benefits:**

Pursuant to the provisions of Section 112.0801, Florida Statutes, all employees who retire from UFDHRE are eligible to participate in the State Group Health Insurance Program, an agent multiple employer defined-benefit 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,

(9) **Post-Employment Benefits:** (Continued)

their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The benefits provided under this defined benefit plan are provided for a fixed number of years determined at the time of retirement based on the number of years worked for the University. Retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible.

(10) **Construction Commitments:**

As of June 30, 2013, the UFDHRE's had several construction contract commitments totaling $9,697,478, of which $4,824,650 has been expended to-date.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

University of Florida Department of
Housing and Residence Education
Gainesville, Florida:

We have audited, 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, the financial statements of the business-type activity and major fund of the University of Florida Department of Housing and Residence Education's (UFDHRE) Housing System Revenue Fund (comprised of the 1984, 1998, 2005A, 2011A, and 2012A Bond Series) as of and for the years ended June 30, 2013 and 2012, and have issued our report thereon dated September 20, 2013.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the UFDHRE Housing System Revenue Fund's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of UFDHRE's internal control. Accordingly, we do not express an opinion on the effectiveness of UFDHRE'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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 material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the UFDHRE Housing System Revenue Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Restricted Use

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Pursuant to Chapter 119, Florida Statutes, this report is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this report is intended solely for the information and use of UFDHRE, State University System, and the Bondholders of the UFDHRE Housing System Revenue Fund and should not be used by anyone other than these specified parties.

James Moore & Co., P.L.

Gainesville, Florida
September 20, 2013

SUPPLEMENTARY INFORMATION

UNIVERSITY OF FLORIDA DEPARTMENT OF
HOUSING AND RESIDENCE EDUCATION
HOUSING SYSTEMS REVENUE FUND
CERTIFICATE AND INTEREST SINKING FUND - 1984 SERIES
STATEMENTS OF NET POSITION
JUNE 30, 2013 AND 2012

	2013	2012
Assets		
Cash and cash equivalents	$ 2,008	$ 711
Investments	185,000	183,122
Total Assets	$ 187,008	$ 183,833
Net Position	$ 187,008	$ 183,833

See accompanying notes.

UNIVERSITY OF FLORIDA DEPARTMENT OF
HOUSING AND RESIDENCE EDUCATION
HOUSING SYSTEMS REVENUE FUND
CERTIFICATE AND INTEREST SINKING FUND - 1984 SERIES
STATEMENTS OF CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
Revenues and other additions		
Mandatory transfer from Housing System Revenue Fund	$ 185,354	$ 185,596
Investment revenue (loss)	3,506	(3,113)
Total revenues and other additions	188,860	182,483
Expenditures and other deductions		
Retirement of bonds	175,000	170,000
Interest	10,650	15,750
Administrative charges	35	52
Total expenditures and other deductions	185,685	185,802
Change in net position	3,175	(3,319)
Net position, beginning of year	183,833	187,152
Net position, end of year	$ 187,008	$ 183,833

See accompanying notes.

UNIVERSITY OF FLORIDA DEPARTMENT OF
HOUSING AND RESIDENCE EDUCATION
HOUSING SYSTEMS REVENUE FUND
CERTIFICATE AND INTEREST SINKING FUND - 1998 SERIES
STATEMENTS OF NET POSITION
JUNE 30, 2013 AND 2012

	2013	2012
Assets		
Cash and cash equivalents	$ -	$ 241
Total Assets	$ -	$ 241
Net Position	$ -	$ 241

See accompanying notes.

UNIVERSITY OF FLORIDA DEPARTMENT OF
HOUSING AND RESIDENCE EDUCATION
HOUSING SYSTEMS REVENUE FUND
CERTIFICATE AND INTEREST SINKING FUND - 1998 SERIES
STATEMENTS OF CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
Revenues and other additions		
Mandatory transfer from Housing System Revenue Fund	$ -	$ 297,558
Transfer from 2011A bond series	-	16,894,813
Total revenues and other additions	-	17,192,371
Expenditures and other deductions		
Retirement of bonds	-	16,595,000
Interest	-	299,813
Transfer to escrow	241	297,558
Administrative charges	-	692
Total expenditures and other deductions	241	17,193,063
Change in net position	(241)	(692)
Net position, beginning of year	241	933
Net position, end of year	$ -	$ 241

See accompanying notes.

UNIVERSITY OF FLORIDA DEPARTMENT OF
HOUSING AND RESIDENCE EDUCATION
HOUSING SYSTEMS REVENUE FUND
CERTIFICATE AND INTEREST SINKING FUND - 2005A SERIES
STATEMENTS OF NET POSITION
JUNE 30, 2013 AND 2012

	2013	2012
Assets		
Cash and cash equivalents	$ 1,763	$ 1,732
Total Assets	$ 1,763	$ 1,732
Net Position	$ 1,763	$ 1,732

See accompanying notes.

UNIVERSITY OF FLORIDA DEPARTMENT OF
HOUSING AND RESIDENCE EDUCATION
HOUSING SYSTEMS REVENUE FUND
CERTIFICATE AND INTEREST SINKING FUND - 2005A SERIES
STATEMENTS OF CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
Revenues and other additions		
Mandatory transfer from Housing System Revenue Fund	$ 2,966,250	$ 2,967,475
Transfer in from Series 1998 Bonds	241	-
Investment revenue	101	-
Total revenues and other additions	2,966,592	2,967,475
Expenditures and other deductions		
Retirement of bonds	1,415,000	1,355,000
Interest	1,548,256	1,609,231
Administrative charges	3,305	3,441
Total expenditures and other deductions	2,966,561	2,967,672
Change in net position	31	(197)
Net position, beginning of year	1,732	1,929
Net position, end of year	$ 1,763	$ 1,732

See accompanying notes.

UNIVERSITY OF FLORIDA DEPARTMENT OF
HOUSING AND RESIDENCE EDUCATION
HOUSING SYSTEMS REVENUE FUND
CERTIFICATE AND INTEREST SINKING FUND - 2011A SERIES
STATEMENTS OF NET POSITION
JUNE 30, 2013 AND 2012

	2013	2012
Assets		
Cash and cash equivalents	$ 719	$ 735
Total Assets	$ 719	$ 735
Net Position	$ 719	$ 735

See accompanying notes.

UNIVERSITY OF FLORIDA DEPARTMENT OF
HOUSING AND RESIDENCE EDUCATION
HOUSING SYSTEMS REVENUE FUND
CERTIFICATE AND INTEREST SINKING FUND - 2011A SERIES
STATEMENTS OF CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
Revenues and other additions		
Mandatory transfer from Housing System Revenue Fund	$ 1,723,395	$ 1,445,149
Investment revenue	45	4,443
Refunding bond proceeds	-	16,597,255
Total revenues and other additions	1,723,440	18,046,847
Expenditures and other deductions		
Retirement of bonds	1,210,000	1,105,000
Interest	511,931	342,678
Transfer to escrow	-	16,597,255
Administrative charges	1,525	954
State fees	-	225
Total expenditures and other deductions	1,723,456	18,046,112
Change in net position	(16)	735
Net position, beginning of year	735	-
Net position, end of year	$ 719	$ 735

See accompanying notes.

UNIVERSITY OF FLORIDA DEPARTMENT OF
HOUSING AND RESIDENCE EDUCATION
HOUSING SYSTEMS REVENUE FUND
CERTIFICATE AND INTEREST SINKING FUND - 2012A SERIES
STATEMENTS OF NET POSITION
JUNE 30, 2013 AND 2012

	2013	2012
Assets		
Cash and cash equivalents	$ 1,353	$ (221)
Total Assets	$ 1,353	$ (221)
Net Position	$ 1,353	$ (221)

See accompanying notes.

UNIVERSITY OF FLORIDA DEPARTMENT OF
HOUSING AND RESIDENCE EDUCATION
HOUSING SYSTEMS REVENUE FUND
CERTIFICATE AND INTEREST SINKING FUND - 2012A SERIES
STATEMENTS OF CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
Revenues and other additions		
Mandatory transfer from Housing System Revenue Fund	$ 1,938,494	$ -
Investment revenue	72	-
Total revenues and other additions	1,938,566	-
Expenditures and other deductions		
Retirement of bonds	880,000	-
Interest	1,054,342	-
Administrative charges	2,650	221
Total expenditures and other deductions	1,936,992	221
Changes in net position	1,574	(221)
Net position, beginning of year	(221)	-
Net position, end of year	$ 1,353	$ (221)

See accompanying notes.

UNIVERSITY OF FLORIDA DEPARTMENT OF
HOUSING AND RESIDENCE EDUCATION
HOUSING SYSTEMS REVENUE FUND
CERTIFICATE AND INTEREST SINKING FUND - HOLDING FUND
STATEMENTS OF NET POSITION
JUNE 30, 2013 AND 2012

	2013	2012
Assets		
Cash and cash equivalents	$ 34,250	$ 27,354
Interest receivable	460	410
Total Assets	$ 34,710	$ 27,764
Net Position	$ 34,710	$ 27,764

See accompanying notes.

UNIVERSITY OF FLORIDA DEPARTMENT OF
HOUSING AND RESIDENCE EDUCATION
HOUSING SYSTEMS REVENUE FUND
CERTIFICATE AND INTEREST SINKING FUND - HOLDING FUND
STATEMENTS OF CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
Revenues and other additions		
Transfer from Housing System	$ 6,813,493	$ -
Investment revenue	6,946	5,283
Total revenues and other additions	6,820,439	5,283
Expenditures and other deductions		
Transfer to bond series funds	6,813,493	-
Total expenditures and other deductions	6,813,493	-
Changes in net position	6,946	5,283
Net position, beginning of year	27,764	22,481
Net position, end of year	$ 34,710	$ 27,764

See accompanying notes.

UNIVERSITY OF FLORIDA DEPARTMENT OF
HOUSING AND RESIDENCE EDUCATION
HOUSING SYSTEMS REVENUE FUND
BUILDING MAINTENANCE AND EQUIPMENT RESERVE FUND
STATEMENTS OF NET POSITION
JUNE 30, 2013 AND 2012

	2013	2012
ASSETS		
Cash and investments	$ 1,578,654	$ 2,802,718
Interest receivable	806	5,487
Total Assets	$ 1,579,460	$ 2,808,205
LIABILITIES AND NET POSITION		
Liabilities		
Accounts payable	$ 6,451	$ 318,097
Net position		
Unrestricted	1,573,009	2,490,108
Total Liabilities and Net Position	$ 1,579,460	$ 2,808,205

See accompanying notes.

UNIVERSITY OF FLORIDA DEPARTMENT OF
HOUSING AND RESIDENCE EDUCATION
HOUSING SYSTEMS REVENUE FUND
BUILDING MAINTENANCE AND EQUIPMENT RESERVE FUND
STATEMENTS OF CHANGES IN FUND BALANCE
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
Revenues and other additions		
Investment revenue	$ 39,028	$ 128,476
Total revenues and other additions	39,028	128,476
Expenditures and other deductions		
Transfers to UF-365 Corry Villages Commons	493,769	2,530,541
Transfers to UF-400 single student housing 2015	412,558	-
Building 281 Corry Village upgrade	4,507	6,822
Building 289 Corry Village upgrade	45,293	2,289,679
Total expenditures and other deductions	956,127	4,827,042
Decrease in net position	(917,099)	(4,698,566)
Net position, beginning of year	2,490,108	7,188,674
Net position, end of year	$ 1,573,009	$ 2,490,108

See accompanying notes.

HOUSING SYSTEMS REVENUE FUND
SCHEDULE OF OUTSTANDING DEBTS
JUNE 30, 2013

University of Florida	Interest Rate	Total Debt Issued	Balance June 30, 2013	Date of Maturity
Revenue Certificates - 1984	3.00%	$ 3,500,000	$ 180,000	7/1/2014
Revenue Certificates - 2005A	4.4711%	37,610,000	30,345,000	7/1/2030
Revenue Certificates - 2011A	3.2662%	16,350,000	14,035,000	7/1/2028
Revenue Certificates - 2012A	3.4848%	26,500,000	25,620,000	7/1/2031
Total Outstanding Debt		$ 83,960,000	$ 70,180,000	

See accompanying notes.

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"), the University of Florida (the "University") and the Division of Bond Finance of the State Board of Administration of Florida (the "Division") in connection with the issuance of $24,805,000 State of Florida, Board of Governors, University of Florida Dormitory 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 of Bond Finance, on October 10, 2013, authorizing the issuance of the Bonds. The Board, the University and the Division covenant and agree as follows:

SECTION 1. PURPOSE OF THE DISCLOSURE AGREEMENT. This Disclosure Agreement is being executed and delivered by the Board, the University, and the Division for the benefit of the Registered Owners and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission (the "SEC"). It shall inure solely to the benefit of the Board, the University, the Division, the Registered Owners, the Beneficial Owners and the Participating Underwriters.

SECTION 2. DEFINITIONS. In addition to the definitions set forth in the resolution of the Division restated on June 13, 2000, and as supplemented and amended through March 20, 2013, (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 agree to provide or cause to be provided the information set forth below, or such other information as may be required, from time to time, to be provided by the Rule or the Division. The Division will be responsible for the filing of the information required by the Rule.

(1) 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) Housing System Occupancy Statistics;
(b) Housing System Rental Rates;
(c) Housing System Collection Rate;
(d) Housing System Financial Statements;
(e) Debt Service Coverage;
(f) University Financial Statements; and
(g) Litigation.

(2) Audited Financial Statements. If not submitted as part of the annual financial information, a copy of the University's audited financial statements, prepared in accordance with generally accepted accounting principles, will be provided when and if available.

(3) Material Events Notices. Notice of the following events relating to the Bonds will be provided in a timely manner not in excess of ten business days after the occurrence of the event:

(a) principal and interest payment delinquencies;
(b) non-payment related defaults, if material;
(c) unscheduled draws on debt-service reserves reflecting financial difficulties;
(d) unscheduled draws on credit enhancements reflecting financial difficulties;
(e) substitution of credit or liquidity providers, or their failure to perform;
(f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
(g) modifications to rights of security holders, if material;
(h) bond calls, if material, and tender offers;
(1) defeasances;
(j) release, substitution or sale of property securing repayment of the securities, if material;
(k) rating changes;
(l) bankruptcy, insolvency, receivership or similar event of the obligated person;
(m) the consummation of merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
(n) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(4) Failure to Provide Annual Financial Information; Remedies.

(a) Notice of the failure of the Board or the University to provide the information required by paragraphs (A) (1) or (A)(2) of this Section will be provided in a timely manner.

(b) The Board and the University acknowledge that their undertaking pursuant to the Rule set forth in this Section is for the benefit of the Beneficial Owners and Registered Owners of the Bonds and shall be enforceable only by such Beneficial Owners and Registered Owners; provided that the right to enforce the provisions of such undertaking shall be conditioned upon the same enforcement restrictions as are applicable to the information undertakings in the Resolution and shall be limited to a right to obtain specific enforcement of the Board's and the University's obligations hereunder.

(B) Methods of Providing Information.

(1) (a) Annual financial information and operating data described in paragraph 3(A)(1) and the audited financial statements described in paragraph 3(A)(2) shall be transmitted to the Municipal Securities Rulemaking Board (hereafter "MSRB") using the MSRB's Electronic Municipal Market Access System ("EMMA") or by such other method as may be subsequently determined by the MSRB.

(b) Material event notices described in paragraph 3(A)(3) and notices described in paragraph 3(A)(4) shall also be transmitted to the MSRB using EMMA or by such other method as may be subsequently determined by the MSRB.

(2) (a) Information shall be provided to the MSRB in an electronic format as prescribed by the MSRB, either directly, or indirectly through an indenture trustee or a designated agent.

(b) All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(C) If this Disclosure Agreement is amended to change the operating data or financial information to be disclosed, the annual financial information containing amended operating data or financial information will explain, in

narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

(D) The Board's and the University's obligations hereunder shall continue until such time as the Bonds are no longer Outstanding or until the Board and the University shall otherwise no longer remain obligated on the Bonds.

(E) This Disclosure Agreement may be amended or modified so long as:

(1) any such amendments are not violative of any rule or regulation of the SEC or MSRB, or other federal or state regulatory body;

(2) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person, or type of business conducted;

(3) this Disclosure Agreement, as amended, would have complied with the requirements of Rule 15c2-12 of the SEC at the time of the primary offering, after taking into account any amendments or interpretations of the rule, as well as any change in circumstances; and

(4) the amendment does not materially impair the interests of Beneficial Owners or Registered Owners, as determined either by parties unaffiliated with the issuer or obligated person (such as the trustee or bond counsel), or by approving vote of the Beneficial Owners and Registered Owners pursuant to the terms of the Resolution at the time of the amendment.

SECTION 4. ADDITIONAL INFORMATION. If, when submitting any information required by this Disclosure Agreement, the Board or the University chooses to include additional information not specifically required by this Disclosure Agreement, neither the Board nor the University shall have any obligation to update such information or include it in any such future submission.

Dated this _____ day of _____, 2013.

Board of Governors

By _____
Chairman

Division of Bond Finance

By _____
Assistant Secretary

University of Florida

By _____
President

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[FORM OF BOND COUNSEL OPINION]

December 19, 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:

$24,805,000
STATE OF FLORIDA
BOARD OF GOVERNORS
UNIVERSITY OF FLORIDA
DORMITORY REVENUE BONDS, SERIES 2013A
Dated December 19, 2013
(the "Bonds")

The Bonds are being issued by the Division of Bond Finance in the name of and on behalf of the Board for the purpose of paying a portion of the costs of the 2013A Project (as defined in the hereinafter defined Resolution), advance refund a portion of the Series 2005A Bonds and paying certain costs associated with the issuance of the Bonds, under the authority of and in full compliance with the Constitution and statutes of the State of Florida, including particularly Sections 215.57-215.83, Florida Statutes, Section 1010.62, Florida Statutes and other applicable provisions of law. The principal of, premium, if any, and interest on the Bonds will be secured by and payable solely from a pledge of the Pledged Revenues (as defined in the hereinafter defined Resolution) (i) on a parity with the Outstanding Parity Bonds (as defined in the hereinafter defined Resolution), which together with the Bonds, will be outstanding in the aggregate principal amount of $89,260,000 subsequent to issuance of the Bonds, and any Additional Parity Bonds (as defined in the hereinafter defined Resolution), hereafter issued, and (ii) junior and subordinate to the outstanding University of Florida Housing Revenue Certificates, Series of 1984, currently outstanding in the aggregate principal amount of $180,000.

The Bonds do not constitute a general obligation of the State of Florida or any political subdivision thereof within the meaning of any constitutional, statutory or other limitation of indebtedness and the owners thereof shall never have the right to compel the exercise of any ad valorem taxing power or taxation in any form for the payment of the principal of or interest on the Bonds.

Based on our examination, we are of the opinion, as of the date hereof, as follows:

1. That such proceedings and proofs show lawful authority for issuance and sale of the Bonds pursuant to the Constitution and statutes of the State of Florida and pursuant to resolutions authorizing the issuance and sale of the Bonds duly adopted by the Governing Board of the Division of Bond Finance on June 13, 2000 and was further supplemented and amended by Resolutions adopted on September 20, 2011, March 20, 2012 and October 10, 2013 (collectively, the "Resolutions"), and a resolution of the Board adopted on September 12, 2013.

2. The Bonds (i) have been duly authorized, executed and delivered by the Division of Bond Finance and the Board and (ii) are valid and binding special obligations of the Board enforceable in accordance with their terms, payable solely from the sources provided therefor in the Resolution.

3. The Bonds and the income thereon are not subject to any State tax except estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended.

4. The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements which must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the Bonds to be included in federal gross income retroactive to the date of issuance of the Bonds, regardless of the date on which such non-compliance occurs or is ascertained. The Division of Bond Finance and the Board have covenanted in the Resolution to comply with such requirements in order to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

Subject to compliance by the Division of Bond Finance and the Board with the aforementioned covenants, (a) interest on the Bonds is excluded from gross income for purposes of federal income taxation, and (b) interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Bonds will be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations. We express no opinion regarding other federal tax consequences caused by the ownership of or the receipt of interest on or the disposition of the Bonds.

It is to be understood that the rights of the owners of the Bonds and the enforceability thereof may be subject to the exercise of judicial discretion in accordance with general principles of equity, to the valid exercise of the sovereign police powers of the State of Florida and of the constitutional powers of the United States of America and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.

In rendering the foregoing opinions, we have assumed the accuracy and truthfulness of all public records and of all certifications, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities and have not independently verified the accuracy or truthfulness thereof and the genuineness of the signatures appearing upon such public records, certifications, documents and proceedings.

Our opinions expressed herein are predicated upon present law, facts and circumstances as of the date of issuance and delivery of the Bonds, and we assume no affirmative obligation to update the opinions expressed herein if such laws, facts or circumstances change after such date.

As Bond Counsel, we have not been engaged nor have we, in such capacity, undertaken to review the accuracy, completeness or sufficiency of any offering material relating to the Bonds and we express no opinion herein relating thereto.

Respectively submitted,

BRYANT MILLER OLIVE P.A.

APPENDIX L

PROVISIONS FOR BOOK-ENTRY ONLY SYSTEM OR REGISTERED BONDS

The Depository Trust Company and Book-Entry Only System

THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE DIVISION OF BOND FINANCE BELIEVES TO BE RELIABLE; HOWEVER, THE DIVISION OF BOND FINANCE TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

DTC will act as securities depository for the 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 of Bond Finance as soon as practicable after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 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 of Bond Finance, or the Board of Governors, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Bond Registrar/Paying Agent; disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services with respect to the 2013A Bonds at any time by giving reasonable notice to the Division of Bond Finance or Bond Registrar/Paying Agent and discharging its responsibilities with respect thereto under applicable law. The Division of Bond Finance may decide to discontinue use of the system of book-entry transfers for the 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 of Bond Finance, the Board of Governors and the Bond Registrar/Paying Agent will not have any responsibility or obligation with respect to:

(i) the accuracy of the records of DTC, its nominee or any DTC Participant or any successor securities depository, participants thereof or nominee thereof with respect to any beneficial ownership interest in the 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 of Bond Finance, the Board of Governors and the Bond Registrar/Paying Agent may treat DTC and any successor Securities Depository as, and deem DTC and any successor Securities Depository to be, the absolute owner of the 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 of Bond Finance, the Board of Governors 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 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 of Bond Finance nor the Bond Registrar/Paying Agent may charge the Registered Owner or transferee for any expenses incurred in making any exchange or transfer of the 2013A Bonds. However, the Division of Bond Finance and the Bond Registrar/Paying Agent may require payment from the Registered Owner of a sum sufficient to cover any tax, fee, or other governmental charge that may be imposed in relation thereto. Such governmental charges and expenses must be paid before any such new 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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