State of Florida
Division of Bond Finance

Notice

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New and Refunding Issue
This Official Statement has been prepared by the Division of Bond Finance to provide information about the 2018A 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.

$39,070,000
STATE OF FLORIDA
Board of Governors
University of Florida Parking Facility Revenue Bonds, Series 2018A

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

Bond Ratings
Aa2 (stable outlook) - Moody's Investors Service
AA- (stable outlook) - Fitch Ratings
AA- (stable outlook) - S&P Global Ratings

Tax Exemption
In the opinion of Bond Counsel, assuming compliance by the Board of Governors with certain covenants, under existing statutes, regulations, and judicial decisions, the interest on the 2018A Bonds will be excluded from gross income for federal income tax purposes of the holders thereof and will not be an item of tax preference for purposes of the federal alternative minimum tax. However, interest on the 2018A Bonds shall be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations for taxable years that began prior to January 1, 2018. The alternative minimum tax on corporations was repealed for taxable years beginning on and after January 1, 2018. The 2018A 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 owners of the 2018A Bonds.

Redemption
The 2018A Bonds maturing on and after August 1, 2029, are subject to optional redemption as provided herein.

Security
The 2018A Bonds will be secured by and payable from the Pledged Revenues. The Pledged Revenues consist of the Parking System Revenues after deducting the Administrative Expenses, the Current Expenses and the Rebate Amount, if any. **The 2018A Bonds are not secured by the full faith and credit of the State of Florida or the University.**

Lien Priority
The lien of the 2018A Bonds on the Pledged Revenues is a first lien on such revenues. There will be no Outstanding Bonds, other than the 2018A Bonds, remaining subsequent to the issuance of the 2018A Bonds.

Additional Bonds
Additional Parity Bonds payable on a parity with the 2018A Bonds may be issued if the average Pledged Revenues for the two immediately preceding fiscal years, as adjusted, are at least 120% of the maximum annual debt service. This description of the requirements for the issuance of the Additional Parity Bonds is only a summary of the complete requirements. See “SECURITY FOR THE 2018A BONDS - Additional Parity Bonds" herein for more complete information.

Purpose
The proceeds of the 2018A Bonds will be used to finance the construction of a parking facility on the main campus of the University of Florida; to refund the Outstanding State of Florida, Board of Governors, University of Florida Parking Facility Revenue Bonds, Series 2007A, and to pay costs of issuance.

Interest Payment Dates February 1 and August 1, commencing February 1, 2019.

Record Dates
January 15 and July 15.

Form/Denomination
The 2018A 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 2018A Bonds will not receive physical delivery of the 2018A Bonds. See “DESCRIPTION OF THE 2018A BONDS.”

Closing/Settlement
It is anticipated that the 2018A Bonds will be available for delivery through the facilities of DTC in New York, New York on October 25, 2018.

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 2018A Bonds will mature on the dates and bear interest at the rates set forth on the inside front cover.

September 25, 2018

MATURITY STRUCTURE

Initial CUSIP©	Due Date	Principal Amount	Interest Rate	Price or Yield*	First Optional Redemption Date and Price
341579AW0	August 1, 2019	$1,810,000	5.00%	2.01%	-
341579AX8	August 1, 2020	1,900,000	5.00	2.07	-
341579AY6	August 1, 2021	1,995,000	5.00	2.15	-
341579AZ3	August 1, 2022	2,100,000	5.00	2.24	-
341579BA7	August 1, 2023	2,210,000	5.00	2.34	-
341579BB5	August 1, 2024	2,315,000	5.00	2.45	-
341579BC3	August 1, 2025	2,435,000	5.00	2.55	-
341579BD1	August 1, 2026	2,560,000	5.00	2.67	-
341579BE9	August 1, 2027	2,690,000	5.00	2.75	-
341579BF6	August 1, 2028	1,375,000	5.00	2.85	-
341579BG4	August 1, 2029**	1,450,000	5.00	2.93	August 1, 2028 @ 100%
341579BH2	August 1, 2030**	1,520,000	5.00	2.98	August 1, 2028 @ 100
341579BJ8	August 1, 2031**	1,590,000	4.00	3.30	August 1, 2028 @ 100
341579BK5	August 1, 2032**	1,655,000	4.00	3.39	August 1, 2028 @ 100
341579BL3	August 1, 2033**	1,725,000	4.00	3.49	August 1, 2028 @ 100
341579BM1	August 1, 2034**	1,795,000	4.00	3.54	August 1, 2028 @ 100
341579BN9	August 1, 2035**	1,870,000	4.00	3.59	August 1, 2028 @ 100
341579BP4	August 1, 2036**	1,945,000	4.00	3.64	August 1, 2028 @ 100
341579BQ2	August 1, 2037**	2,025,000	4.00	3.71	August 1, 2028 @ 100
341579BR0	August 1, 2038**	2,105,000	4.00	3.75	August 1, 2028 @ 100

* Price and yield information provided by the underwriter.
** The yield on these maturities are calculated to a 100% call on August 1, 2028.

The State of Florida has not authorized any dealer, broker, salesman or other person to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied on. Certain information herein has been obtained from sources other than records of the State of Florida which are believed to be reliable but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the State of Florida. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the State of Florida since the date hereof. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor will there be any sale of the 2018A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

STATE OFFICIALS

BOARD OF GOVERNORS

CHAIR
NED C. LAUTENBACH

VICE CHAIR
SYDNEY KITSON

GOVERNING BOARD OF THE DIVISION OF BOND FINANCE

GOVERNOR
RICK SCOTT
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ATTORNEY GENERAL
PAM BONDI
Secretary

CHIEF FINANCIAL OFFICER
JIMMY PATRONIS
Treasurer

COMMISSIONER OF AGRICULTURE
ADAM H. PUTNAM

J. BEN WATKINS III
Director
Division of Bond Finance

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

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

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OFFICIAL STATEMENT
Relating to
$39,070,000
STATE OF FLORIDA
Board of Governors
University of Florida Parking Facility Revenue Bonds, Series 2018A

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 $39,070,000 State of Florida, Board of Governors, University of Florida Parking Facility Revenue Bonds, Series 2018A (the "2018A Bonds"), dated the date of delivery thereof, by the Division of Bond Finance of the State Board of Administration of Florida (the "Division of Bond Finance").

The proceeds of the 2018A Bonds will be used to finance the construction of a parking facility (the "2018A Project") on the main campus of University of Florida in Gainesville, Florida (the "University"), to refund all of the Outstanding State of Florida, Board of Governors, University of Florida Parking Facility Revenue Bonds, Series 2007A, and to pay costs of issuance. See "PURPOSE OF THE ISSUE" herein for more detailed information.

The 2018A Bonds will be secured by and payable from the Pledged Revenues. The Pledged Revenues consist of the revenues of the Parking System after payment of the Administrative Expenses, the Current Expenses, and the Rebate Amount, if any. The lien of the 2018A Bonds on the Pledged Revenues is a first lien on such revenues and will be on a parity with any Additional Parity Bonds hereafter issued. See "SECURITY FOR THE 2018A BONDS" herein for more detailed information. **The 2018A 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 2018A 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 2018A 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 2018A BONDS

General Legal Authority

The 2018A 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.

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

Board Members	Term Expires
Ned C. Lautenbach, Chair	January 6, 2020
Sydney Kitson, Vice Chair	January 6, 2024
Tim Cerio	January 6, 2024
Patricia Frost	January 6, 2024
H. Wayne Huizenga, Jr.	January 6, 2020
Darlene L. Jordan	January 6, 2024
Alan M. Levine	January 6, 2024
Wendy S. Link	January 6, 2020
Edward A. Morton	January 6, 2020
Jay S. Patel	January 6, 2019
Frederic V. Salerno	January 6, 2019
Norman D. Tripp	January 6, 2020
Fernando J. Valverde	January 6, 2019
Zachariah P. Zachariah	January 6, 2019

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

Pam Stewart - Commissioner of Education
Shawn Felton - Chair, Advisory Council of Faculty Senates
Jalisa White - Chairman, Florida Student Association

University Board of Trustees

Article IX, Section 7 of the State Constitution provides for the existence of 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 resolution adopted on January 26, 2017, the Board of Governors authorized and requested the Division of Bond Finance to proceed with the preparation of proceedings required for the issuance of the 2018A Bonds.

By a resolution adopted on June 8, 1993 (the "Original Resolution"), as amended and supplemented by a resolution adopted on June 12, 2007 (the "Second Supplemental Resolution"), as amended by a resolution adopted on September 19, 2007 (the "Amending Resolution"), and as supplemented by resolutions adopted on March 14, 2017 (the "Third Supplemental Resolution" and the "Fourth Supplemental Resolution"), (the Original Resolution as amended and supplemented is referred to herein as the "Resolution"), the Governor and Cabinet of the State of Florida, as the Governing Board of the Division of Bond Finance, authorized the issuance of the 2018A Bonds. The Original Resolution, the Second Supplemental Resolution, the Amending Resolution, the Third Supplemental Resolution and the Fourth Supplemental Resolution are reproduced as Appendices B, C, D, E and F to this Official Statement. The Governing Board of the Division authorized the sale of the 2018A Bonds on March 14, 2017.

The Board of Administration approved the fiscal sufficiency of the 2018A Bonds, as required by the State Bond Act, on March 14, 2017.

DESCRIPTION OF THE 2018A BONDS

The 2018A Bonds are being issued as fully registered bonds in the denomination of $1,000 or integral multiples thereof. The 2018A Bonds are payable from the Pledged Revenues as described herein. The 2018A 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 August 1 and February 1 of each year, commencing February 1, 2019, until maturity or redemption.

The 2018A Bonds will initially be issued exclusively in "book-entry" form. Ownership of one 2018A 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 2018A Bonds. Individual purchases of the 2018A Bonds will be made in book-entry form only and the purchasers will not receive physical delivery of the 2018A Bonds or any certificate representing their beneficial ownership interest in the 2018A 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 2018A Bonds if the book-entry only system of registration is discontinued.

REDEMPTION PROVISIONS

Optional Redemption

The 2018A Bonds maturing in the years 2019 through 2028, both inclusive, are not redeemable prior to their stated dates of maturity. The 2018A Bonds maturing in 2029 and thereafter are redeemable prior to their stated dates of maturity, without premium, at the option of the Division of Bond Finance, (i) in part, by maturities to be selected by the Division of Bond Finance, and by lot within a maturity if less than an entire maturity is to be redeemed, or (ii) as a whole, on August 1, 2028, or on any date thereafter, at the principal amount of the 2018A Bonds so redeemed, together with interest accrued to the date of redemption.

Notice of Redemption

Notices of redemption of 2018A 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 2018A 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.

The Resolution provides for a further notice of redemption to be published in a financial journal or newspaper, and to be sent to registered securities depositories and to one or more national information services that disseminate notices of redemption of obligations such as the 2018A Bonds.

Failure to give any required notice of redemption as to any particular 2018A Bonds will not affect the validity of the call for redemption of any 2018A Bonds in respect of which no such failure has occurred. Any notice mailed as provided in the Resolution will be conclusively presumed to have been given, whether or not the Registered Owner receives the notice.

Interest on the 2018A Bonds called for redemption will cease to accrue upon the redemption date.

PURPOSE OF THE ISSUE

New Money Portion

The proceeds from the sale of the New Money Portion of the 2018A Bonds will be used to pay a portion of the costs of issuance of the 2018A Bonds and to fund a portion of the costs of the 2018A Project.

The 2018A Project. The 2018A Project consists of the construction of a multi-level parking garage containing approximately 1,900 parking spaces, associated site work and site utilities infrastructure, and roadway intersection improvements as recommended by the transportation site analysis. The 2018A Project will be located on an existing surface parking lot in the south central portion of the main campus of the University in Gainesville, Florida. The parking garage will be constructed on approximately 560 parking spaces in the existing surface lot, resulting in a net increase in parking inventory of approximately 1,340 spaces. The garage will primarily be used as an unattended parking area for permitted graduate and professional students, faculty and staff. The project is consistent with the Campus Master Plan and Campus Development Agreement that identify the need for additional parking in this location.

Construction of the 2018A Project will be managed by a Design/Build entity (the "Design/Builder"), which was selected in accordance with the applicable State University System requirements, which includes: public advertisement; review of credentials, references and qualifications; confirmation of bonding capabilities; compliance with minority participation guidelines; and in-person presentations/interviews.

Construction Pricing. The construction budget was developed based upon detailed project cost estimate supplied by the Design/Builder. A project budget of $32,200,000 was established and is comprised of the following:

I. Construction Costs: $30,220,000
II. Contingencies: $1,100,000
III. Professional Fees: $700,000
IV. Survey and Tests: $30,000
V. Permit, Impact, and Environmental Fees: $150,000

Completion of Project. A site suitability study and transportation site analysis were completed in November 2017. The garage design will be finalized once the turnkey garage design/build subcontractor is selected. Construction activity is to commence in November 2018 and be completed by February 2020.

Bonding, Contracting, and Oversight. Design firms contracted by the Design/Builder will carry $2,000,000 worth of Professional Liability insurance, and the Design/Builder firm itself will furnish Payment and Performance Bonds and proof of certain insurance coverages in accordance with the Design/Build contract. The University's Environmental Health & Safety's code enforcement department will review design deliverables, issue a building permit to the Design/Builder, and conduct periodic onsite inspections of the work to ensure compliance with applicable building and life safety codes. Oversight of the project will be conducted by: the Design/Builder's project manager and consultants; an independent commissioning entity; and the University's Divisions of Planning Design & Construction, Facilities Services and Information Technology.

Principal participants for the 2018A Project include:

University of Florida:	Division of Planning Design & Construction
Design/Builder:	Brasfield & Gorie
Turnkey Garage Design/Build Subcontractor:	To be determined
Architect (garage design criteria & misc.):	Davis Architects
Mechanical/Electrical Engineer (site):	Moses & Associates
Civil Engineer:	Kimley Horn
Structural Engineer:	To be determined (turnkey garage design/build subcontractor)
Landscape Architect:	Kimley Horn

There are no known environmental risks present at the site. The geotechnical survey revealed the need for subgrade enhancements and/or deep foundations. The estimated cost of these measures is included in the project budget.

Refunding Portion

The proceeds from the sale of the Refunding Portion of the 2018A Bonds, along with other available funds, will be used to pay a portion of the costs of issuance of the 2018A Bonds and to refund all of the outstanding State of Florida, Board of Governors, University of Florida Parking Facility Revenue Bonds, Series 2007A, maturing in the years 2019 through 2027, in the outstanding principal amount of $11,375,000 (the "Refunded Bonds"). This refunding is being effectuated to achieve debt service savings.

Simultaneously with the delivery of the 2018A Bonds, the Division of Bond Finance will cause to be deposited a portion of the proceeds of the 2018A Bonds, along with other legally available moneys, into an irrevocable escrow account (the "Escrow Deposit Trust Fund") under an Escrow Deposit Agreement to be entered into among the Division of Bond Finance, the Board of Governors, and the Board of Administration (the "Escrow Agent"). The Escrow Agent will hold those moneys uninvested. The escrow will be funded in an amount which will be sufficient to meet the redemption requirements of the Refunded Bonds and the Refunded Bonds will be considered to be legally defeased, will no longer have any claim upon the Pledged Revenues, and will have a claim only upon the Escrow Deposit Trust Fund.

The Refunded Bonds will be called for redemption immediately following delivery of the 2018A Bonds (by separate redemption notice) at a redemption price equal to the principal amount thereof, with interest due thereon through the redemption date. No proceeds of the 2018A Bonds held in the escrow will be available to pay debt service on the 2018A Bonds.

Sources and Uses of Funds

Sources of Funds:	
Par Amount of 2018A Bonds	$39,070,000
Available Sinking Fund Moneys	79,500
University Cash Contribution	500,000
Estimated Construction Fund Investment Earnings[1]	155,156
Original Issue Premium	3,616,178
Total Sources	$43,420,834
Uses of Funds:	
Cost of the 2018A Project	$31,700,000
Deposit to Escrow Deposit Trust Fund	11,491,600
Cost of Issuance	109,423
Underwriter's Discount	119,811
Total Uses	$43,420,834

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

Construction Fund

The Resolution provides for the creation of the Project Construction Fund, a trust fund in the State Treasury to pay the costs of the 2018A Project. The Registered Owners of the 2018A Bonds will have a lien on the proceeds of such Bonds deposited in the 2018A 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 2018A Project Construction Fund after completion of the 2018A Project will be deposited into the Sinking Fund, to be used for the purposes thereof.

SECURITY FOR THE 2018A BONDS

Pledge of Parking System Revenues

The 2018A Bonds and the interest thereon constitute obligations of the Board on behalf of the University, and are payable solely from a first lien pledge of the Pledged Revenues. The Pledged Revenues are derived from the operation of the Parking System, and include decal fees, parking fines, toll and metered parking fees and other special event fees, but do not include the Transportation Access Fee charged to each student, which is used to pay for local bus service. The Parking System consists of all of the University's existing parking facilities located on the campus of the University in Gainesville, Florida, and such additional parking facilities as may be added to the Parking System, all as more fully described in "PARKING SYSTEM" herein. The Pledged Revenues are the Parking System Revenues remaining after deducting the Administrative Expenses, the Current Expenses and the Rebate Amount, if any. The Pledged Revenues resulting from the operation of the Parking System and the related debt service coverage ratios are set forth under "PARKING SYSTEM - Historical Pledged Revenues and Debt Service Coverage" and "PARKING SYSTEM - Projected Pledged Revenues and Debt Service Coverage" herein.

The 2018A 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 2018A 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 2018A Bonds. The issuance of the 2018A 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 2018A Bonds.**

2018A Bonds Not Secured by Reserve Account

There will not be a Reserve Account Subaccount funded for the 2018A Bonds.

Flow of Funds

Collection of Pledged Revenues. The University has agreed to collect the Pledged Revenues and deposit them in a trust fund administered by the Board. The Board shall administer such fund in accordance with the provisions of the Resolution and applicable State laws. After providing for the payments required below, the University may use the proceeds of the Pledged Revenues for any purpose of the University authorized by law.

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

(A) First, for payment of Current Expenses of the Parking System.

(B) Second, the remaining moneys not needed for the purpose of (A) above shall be transferred to the Board of Administration in an amount sufficient to be used as follows:

(i) for payment of the Administrative Expenses;

(ii) for deposit into the Sinking Fund, until there is accumulated in said Sinking Fund an amount sufficient to pay the next installments of principal and interest to become due during the then current Fiscal Year, including Amortization Installments for any Term Bonds;

(iii) for the maintenance and establishment, if necessary, together with other moneys available for such purposes, of the Reserve Account, or sub-accounts therein, in the Sinking Fund in an amount equal to the Debt Service Reserve Requirement.

(C) Third, when sufficient amounts have been accumulated in the Revenue Fund to satisfy the requirement of paragraphs (A) and (B) above, moneys are deposited by the University into the Parking System Maintenance and Equipment Reserve Fund established by the University for the Parking System in a separate account in a bank approved by the Board and the State Treasurer. Amounts deposited into the Parking System Maintenance and Equipment Reserve Fund shall be as approved in the annual budget of the University.

(D) Fourth, the balance of any money not needed for the payments provided in (A), (B) and (C) above, will be applied in the sole discretion of the University for:

(i) optional redemption or purchase of Bonds; or

(ii) any lawful purpose of the University.

See "MISCELLANEOUS - Use of Proceeds and Investment of Funds" below for policies governing the various funds.

Covenants of the Board

The Board has additionally covenanted in the Resolution as follows:

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

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

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

(D) That it will continue to collect the fines, fees, rentals and other amounts charged all students, faculty members and tenants of the facilities of the Parking System.

Additional Parity Bonds

The Resolution provides that Additional Parity Bonds may be issued, but only upon the following terms, restrictions and conditions: (A) the proceeds from such Additional Parity Bonds will be used to acquire and construct capital additions or improvements to the Parking System; (B) all previously authorized bonds will have been issued and delivered, or authority for the unissued portion will have been canceled; (C) the Board must authorize the issuance of the Additional Parity Bonds; (D) the Board of Administration must approve the fiscal sufficiency of such Additional Parity Bonds; (E) certificates will be executed by the Board setting forth (1) the average amount of Pledged Revenues from the two fiscal years immediately preceding the issuance of the proposed Additional Parity Bonds, and (2) the Maximum Annual Debt Service on the bonds then outstanding and the Additional Parity Bonds then proposed to be issued; (F) the Board must be current in all deposits into the various funds and accounts and all payments theretofore required to have been deposited or made by it under the provisions of the Resolution and the Board must be currently in compliance with the covenants and provisions of the Resolution and any supplemental resolution thereafter adopted for the issuance of Additional Parity Bonds, unless upon the issuance of such Additional Parity Bonds the Board will be in compliance with all such covenants and provisions; and (G) the average amount of Pledged Revenues for the two immediately preceding fiscal years, as adjusted as provided for in the Resolution, will be at least equal to 120% of the Maximum Annual Debt Service on the bonds then outstanding, and the Additional Parity Bonds then proposed to be issued. Additional Bonds issued in accordance with the Original Resolution will be on a parity as to lien on the Pledged Revenues with the 2018A Bonds.

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

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

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PARKING SYSTEM
(Source: University of Florida)

Introduction

The Transportation and Parking Services division of Business Affairs (the "Department") administers the campus parking program. This department is a self-supporting auxiliary operation paying all expenses of operation, including maintenance of the Parking System and repayment of debt. The Department does not receive any state financial appropriations for operations. Motor vehicles parking in restricted areas on campus during restricted hours must be registered with the Department, which is responsible for issuing parking decals. Vehicles without a current parking decal or appropriate permit may not be parked on campus during restricted hours, Monday through Friday, except in metered spaces and designated pay-parking facilities upon payment of the required fee.

The Parking System of the University currently serves a campus population of over 84,000 students, faculty, and staff members. In addition, there is an indeterminable number of visitor, hospital and clinic, delivery, service and emergency vehicles requiring parking spaces each day. The parking needs of these vehicles are accommodated by 24,172 spaces. The University currently sells approximately 40,000 parking decals during the year, with as many as 32,400 active at peak demand in the fall semester.

There is little alternative parking located on the perimeter of the campus available to University students, faculty and staff. The City of Gainesville requires a parking permit to park in spaces along the streets adjacent to the campus. These parking permits are issued only to individuals who provide proof that their residence or place of employment is located along these streets. For the convenience of the University community, including the Parking System users, the University contracts with the City of Gainesville Regional Transit System (RTS) for bus service on campus and within the surrounding community. During the fall and spring semesters, a shuttle service consisting of eight buses transports riders from remote on-campus parking lots to the central core of campus. Eleven routes provide service to areas with high student populations. These routes have 8-25 minute headways throughout the day. This service operates daily from 6:00 a.m. to 2:00 a.m. and is free to University students, faculty and staff and does not require the purchase of a parking decal. These services are designed to provide alternatives to parking on campus and the use of single occupancy vehicles. In addition, all students, faculty and staff are permitted to ride all city buses free of charge. These services are paid for predominately by the per-credit-hour Transportation Access Fee charged to each student.

Staffing

The Department is responsible for all aspects of operation and administration of the University's transportation and parking program and is organized by functional activity. Primary activities include: sale and issuance of parking decals and various permits, enforcement of parking rules and regulations, collection of payments for parking citations, processing of citation appeals, visitor and patient parking operations, operation of campus transportation programs (including the Campus Cab - faculty and staff taxi service, SNAP - nighttime safe ride program, and Gator Lift - shuttle service for disabled riders), maintenance of all campus parking facilities and signage, financial accounting and related record keeping, general administration and strategic planning. As of March 2018, the Department employed 57 full-time employees, 10 of whom were involved in enforcement and collection activities.

System Facilities

The Parking System operates 13 multi-level parking facilities providing 9,885 spaces. The following table shows when each garage was put in service and the number of parking spaces available in each. In addition to garage parking, 14,287 spaces are available in over 70 surface lots throughout the campus.

Existing Multi-level Parking Facilities

Facility	Year Built	Number of Spaces
Garage 1, East Garage	1974	396
Garage 2, West Garage	1974	882
Garage 3, Medical Plaza Garage	1988	943
Garage 4, Newell Garage	1988	663
Garage 5, Gale Lemerand Drive	1988	852
Garage 5 addition, Gale Lemerand Drive	1992	418
Garage 6, 1329 Building Garage	1993	599
Garage 7, O'Connell Center Garage	1994	597
Garage 8, Norman Garage	1995	468
Garage 9, Archer Road South	1996	751
Garage 9 addition, Archer Road South	2000	676
Garage 10, East Patient & Visitor Garage	1998	786
Garage 11, Cultural Plaza Garage	2000	577
Garage 12, Welcome Center Garage	2003	350
Garage 13, TAPS Garage	2009	927
Total		**9,885**

Capital Leases

Garage 6 was leased from the University Foundation for $100,000 per year for 30 years beginning July 1, 1994. Garage 10 was leased from the Shands Teaching Hospital and Clinics, Inc. for $227,167 per year for 30 years beginning March 1, 2000 with payments due on May 1. Both leases are treated by the University as capital leases. Payments for these leased facilities are made from revenues of the Parking System remaining after all of the required payments have been made for the 2018A Bonds and any bonds issued on a parity therewith.

Capital Maintenance Plan

Annually, the Department sets aside a minimum of $1,000,000 for long-term repair, maintenance and structural restoration projects, and for other capital projects as needed. Ongoing day-to-day maintenance cost for all facilities is reviewed annually as part of the development of the annual operating budget for the Parking System.

Capital Projects Plan

The University developed a ten-year Campus Master Plan detailing planned development from 2015 through 2025. Transportation and parking is a component of the Campus Master Plan. As part of this process, the University was required to identify and mitigate impacts to public facilities and services in the surrounding community resulting from planned campus development. The University has negotiated and executed a Campus Development Agreement with the City of Gainesville and Alachua County. The Campus Development Agreement includes a cap of 1,715 net new parking spaces on campus through the Campus Master Plan's year 2025 planning timeframe.

In the short term, the University has no current plans to build any further structured parking other than Garage 14 (the "2018A Project") which is expected to provide a net 1,340 spaces. However, it is the long term intent of the University to maximize the amount of available parking over the year 2025 planning period in order to maintain the quality of parking on campus. As the campus has evolved, new buildings have been sited on surface parking lots, reducing the University's parking supply. Anticipating this to continue, the 2018A Project will provide replacement parking for surface lots which have been lost in recent years and are projected to be lost in upcoming 2 to 5 years.

See "PURPOSE OF THE ISSUE – New Money Portion" herein for more information on the 2018A Project.

Insurance on Facilities

All University facilities, and the contents thereof, are insured under the State Risk Management Trust Fund as required by Chapter 284, Florida Statutes. The 2018A Project will also be insured in this manner. Prior to acceptance by the University, and throughout the duration of construction, the State University System requires that the construction manager insure the 2018A Project, including materials, equipment, vehicles, personnel, etc.

Parking Needs Assessment

For two decades, the campus has maintained a parking supply of approximately 24,000 spaces. Construction of new buildings consumed surface parking spaces in the campus interior, which the University replaced with new parking structures on the campus perimeters. At the same time, demand for parking proximate to the campus core has consistently exceeded space availability. In anticipation of future building densification of the campus core, the University wishes to construct the 2018A Project to provide much needed support for this part of campus.

Fall 2017 student headcount on campus was 52,992 (excludes UF Online students), and the workforce headcount was 31,062. By Fiscal Year 2021-22, the University projects growth in the campus population of 1,287 students and 600 faculty members. With the exception of student housing complexes in close proximity to the University, off-campus parking near the University is virtually non-existent. Because of the location of the University, the use of alternative off-campus parking is limited, inconvenient and substantially more expensive for students, faculty, staff and visitors.

The proposed parking garage will be constructed on a portion of an existing commuter surface parking lot on Gale Lemerand Drive, which is a central location that supports a wide range of activities in which all members of the University community participate. It is within walking distance of most academic destinations. The garage will provide weekday parking for the University community and nighttime and weekend parking in support of university activities and athletic events.

Parking System Revenues

The Department has several sources of revenues, the largest of which is revenue collected through the sale of parking decals. In Fiscal Year 2016-17, parking decal sales accounted for 66% of total Parking System Operating Fund revenues (excludes Transportation Access Fee revenues, which are not Pledged Revenues and which are deposited to the Transportation Fee Fund). The variables that most heavily influence parking demand and decal revenues are enrollment and employment levels. The University Parking System has several revenue sources other than parking decals. These include revenues collected from parking fines, visitor parking at the Welcome Center Garage, parking meters and special events.

The Transportation Access Fee is currently $9.44 per credit hour paid by students. This fee generates revenue that is used to fund RTS bus service, Gator Lift - disabled student transportation, SNAP - student nighttime safe ride program, alternative transportation programs such as the Uber subsidy for students, and transportation infrastructure related projects. Transportation Access Fee revenues are not used for access to the parking facilities, and therefore are not included as Pledged Revenues for bonding purposes.

Current Expenses

Current expenses include costs associated with salaries, utilities, maintenance and repairs, shuttle bus service, and supplies related to the Parking System. These expenses are expected to increase due to increased maintenance requirements for aging parking facilities, the anticipated addition of new surface parking, and projected salary increases.

Rates and Charges

The University regulations establish parking fees and charges in accordance with legislative and Board of Governor directives. To provide the funds needed for operational inflation and additional debt service, the University implemented a parking decal rate increase plan with the approval of the University's Board of Trustees that spans a four-year period starting in Fiscal Year 2017-2018 affecting only faculty, staff and owners of commercial vehicles. Additionally, the University will implement proportionate increases in visitor parking and University Athletic Association event parking fees. While the University does not anticipate the need to raise student decal prices in connection with the increased debt service expense associated with the 2018A Project, student decal rates may need to be increased in the future to help defray other Parking System operating expense inflation.

The following table sets forth the rates for various types of parking decals and the number of decals issued in each fiscal year for the years indicated.

Decal Sales by Fiscal Year, by Type[1,2]

	2013-14	2014-15	2015-16	2016-17	2017-18
Faculty/Staff Decal Type					
Gated Plus					
Decal Count	686	731	724	778	n/a
Decal Cost	$1,140	$1,140	$1,188	$1,188	$1,272
Gated					
Decal Count	1,163	1,178	1,122	1,157	n/a
Decal Cost	$1,020	$1,020	$1,062	$1,062	$1,134
Multi-Access					
Decal Count	1,959	2,037	2,095	2,152	n/a
Decal Cost	$426	$426	$444	$444	$474
Restricted Access					
Decal Count	8,365	8,821	8,918	9,681	n/a
Decal Cost	$318	$318	$330	$330	$354
Commuter					
Decal Count	3,339	3,475	3,555	3,697	n/a
Decal Cost	$162	$162	$168	$168	$180
Car Pool					
Decal Count	736	553	420	469	n/a
Decal Cost	$144	$144	$150	$150	$162
Motorcycle/Scooter					
Decal Count	213	232	218	201	n/a
Decal Cost	$154	$154	$162	$162	$174
Total Facility/Staff Decals Sold	16,461	17,027	17,052	18,135	n/a
All Student Decals					
Decal Count	18,682	19,425	20,844	21,943	n/a
Decal Cost	$154	$154	$160	$160	$160
TOTAL DECALS SOLD	35,143	36,452	37,896	40,078	n/a

[1] The number of parking decals issued includes decals that were issued as replacements at no charge and those that were prorated throughout the year. Decal costs shown do not include (but are subject to) State sales tax.

[2] Parking decal cost is established each decal year which runs from September through August for students, and May through April for faculty and staff.

n/a = not currently available.

The University does not prepare a formal projection of decal sales by category. The long-term consistency in sales by category as shown in the subsequent table (Comparison of Budget to Actual for Fiscal Years ended June 30, 2013 through 2017) provides the basis for an assumption that decal revenue will grow from year to year based mainly on rate increases.

Impact of Proposed Constitutional Amendment

A constitutional amendment has been proposed by the Florida Constitutional Revision Commission which would require a supermajority vote of any university board of trustees (9 of 13 members) to raise, impose, or authorize any university fee, if approval by the board of trustees is required by general law. Any action would also need to be approved by a supermajority vote of the Board of Governors (12 of 17 members), if approval by the Board of Governors is required by general law. The proposed amendment will be on the ballot for the general election to be held on November 6, 2018, and will take effect if approved by 60% of the voters in that election. The amendment would apply to increases in the fees which comprise the Pledged Revenues, including the decal fees, which secure payment of the 2018A Bonds.

Collection and Enforcement

The University collects charges for parking decals on a continuing basis. While the decal year begins on May 1 for faculty and staff, the majority of employee decal payments are made throughout the year via payroll deductions. The decal year begins in August for students, to align with the academic year.

Parking fines may be levied on vehicles parked on campus in restricted areas during restricted hours Monday through Friday not displaying the proper parking decal. The Department is responsible for the issuance, processing and collection of all parking citations and non-student appeals. Citations issued to students must be paid or appealed to the Student Traffic Court. The University requires full payment of fines unless an appeal is made to the appropriate University Traffic Hearing Authority within 15 calendar days of issuance of the citation. If a parking citation is not appealed within 15 calendar days from the date of issuance, the citation is considered delinquent and subject to a default adjudication of guilty, and a $10.00 delinquent fee is added to the fine. Vehicles may be impounded (booted or towed) for only one outstanding delinquent citation; however, efforts are made to impound only vehicles with more than three outstanding delinquent citations. Upon impoundment, vehicles are held until all previously incurred fines are paid in full. Any unpaid fines are classified as a debt to the University. Diplomas, grades and transcripts of students are withheld until all fines have been paid. Faculty and staff members having unpaid parking fines are not allowed to purchase a parking decal for the following year and their vehicles are subject to impoundment.

Budgetary Process

Each Fiscal Year the University Office of Business Affairs coordinates preparation of the operating budget request for the Department for the subsequent Fiscal Year. The proposed budget is reviewed by the University's Parking and Transportation advisory committee comprised of faculty, staff and students. The Vice President for Business Affairs compiles the proposed budgets of all auxiliary enterprises, including the Department, and presents them within the University budget to the Board of Trustees for approval. Within the guidelines, regulations and policies of the Board of Governors, the University budget is submitted to the Board of Governors for final approval.

Monthly financial statements are prepared on an accrual basis and provided to the Director of Transportation and Parking Services and the Associate Vice President of Business Affairs. When necessitated by the results of operations, modifications to the budget are made. All Department assets are held in an Auxiliary Trust Fund under the control of the Board of Trustees.

Discussion of Budget

In Fiscal Year 2012-13, total operating revenues of $11,749,000 were 3.3% greater than the $11,373,000 budgeted. Decal sales this Fiscal Year declined by approximately 1,200 decals. The mix of decals sold also showed a slight shift from the more expensive decals to less costly decals for parking in more remote lots. The 2.4% budget shortfall in decal sales was more than offset by higher than projected fine activity and higher than anticipated visitor and patient parking revenues. The increase in fines revenue was attributable to improved management practices which achieved a more efficient allocation of patroller time. Total operating expenses of $9,889,000 were approximately 5% higher than the budget of $9,397,000. The maintenance, materials and supply category incurred several unbudgeted improvement projects such as the construction of on-campus bus shelters at a cost of $216,000. There was a significant variance in utilities expense, 21% lower than the budget, primarily due to the beginning of a major initiative to replace inefficient parking garage lighting fixtures with energy efficient lighting.

In Fiscal Year 2013-14, total operating revenues were 11% greater than budgeted. Decal sales exceeded budget by approximately $250,000 as a result of an increase in the sale of employee parking decals and student motorcycle/scooter decals. Other revenues include the reimbursement of operating and maintenance expenses incurred in various parking facilities that provide parking for patients and visitors of our campus teaching hospital and clinical practices. It is not unusual to have significant fluctuations to the budgeted amounts in this revenue category because of the variability of maintenance expenditures, from one year to the next, and whether the funds were expended on the patient and visitor parking facilities or not. The increase in fines remained directly related to continued improvement in management practices and the filling of two parking patrol positions which had been vacant. Total operating expenses were 5% greater than budgeted. The salaries/other personnel services budget did not include the 3.5% university-wide employee raises incurred. Utilities expense continued to decrease by more than forecasted as a result of expanding the energy efficient lighting initiative to more garages and parking lots. Other operating expenses include payments to the City of Gainesville bus system for providing fare free service to UF employees, their spouses and retired employees. The timing in the processing of the invoices to the City resulted in two annual payments of $119,000 being reflected in this Fiscal Year.

In Fiscal Year 2014-15, total operating revenue was approximately 5% greater than budgeted. Decal sales exceeded budget by $563,000 due to an average decal rate increase of 2% on all decal types ($158,000), and the sale of more decals than the budget anticipated. The variance to budget for visitor and patient toll parking reflects an increase of 123%. This was the result of a budgeting approach which accounted for the revenue variations in the visitor and patient parking facilities through the budgeted amount assigned to other revenue. The combined variance for these two categories of revenue was a shortfall of $206,000, or 7% lower than forecasted. Fine revenues exceeded budget by $260,000 due to just over 3,100 more citations being issued over the forecasted volume and higher fine amounts for select violations that were implemented in the fourth quarter. The fine increases were approved at the March Board of Trustees meeting. Total operating expenses were 6% greater than budgeted. The salaries budget did not include the 2.5% university-wide employee raises. The maintenance, materials, and supplies expense category exceeded budget by $307,000 due to the timing of ongoing maintenance, repair, and renewal projects related to the garage facilities.

In Fiscal Year 2015-16, total operating revenue was approximately 3% greater than budgeted. Decal rates remained unchanged for 2015, yet decal revenues exceeded the budget by $458,000 due to increased decal volume and a shift by faculty and staff to more expensive decals. The combined unfavorable variance for the patient and visitor parking and other revenue categories was $57,000, or 2% lower than forecasted. Total operating expenses were approximately 1% over budget primarily due a higher than forecasted expense of $213,000 in the maintenance, material and supply category.

In Fiscal Year 2016-2017, total operating revenue was approximately 3% greater than budgeted. Fine revenues were 6% greater than budgeted, or $112,000, due to an increase in citations written. The combined variance for the patient and visitor parking and other revenue categories was favorable at $164,000, or 6% higher than forecasted. Operating expenses increased approximately 2%, or $254,000, over budget. Maintenance, materials and supplies had an unfavorable variance of $266,000. This was due to projects such as replacement of lights in the garages, resurfacing lots and gate repairs that were undertaken, but not budgeted.

A comparison of the budgeted to actual operating performance of the Department is provided in the following table for the years indicated.

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Comparison of Budget to Actual for Fiscal Years ended June 30, 2013 through 2017

(In thousands of dollars)

	2013			2014			2015			2016			2017		
	Budget	Actual	Difference	Budget	Actual	Difference	Budget	Actual	Difference	Budget	Actual	Difference	Budget	Actual	Difference
Operating Revenue															
Decal and Reserved Space Sales	$ 7,617	$ 7,435	$ (182)	$ 7,626	$ 7,876	$ 250	$ 7,626	$ 8,189	$ 563	$ 8,192	$ 8,650	$ 458	$ 8,988	$ 9,127	$ 139
Visitor and Patient Toll Parking	645	1,087	442	645	1,362	717	648	1,447	799	805	1,551	746	1,952	1,757	(195)
Fines Revenue	1,190	1,560	370	1,250	1,768	518	1,350	1,610	260	1,710	1,714	4	1,725	1,837	112
Other Revenue	1,921	1,667	(254)	1,899	1,689	(210)	2,253	1,248	(1,005)	1,954	1,151	(803)	813	1,172	359
Total Operating Revenues	$ 11,373	$ 11,749	$ 376	$ 11,420	$ 12,695	$ 1,275	$ 11,877	$ 12,494	$ 617	$ 12,661	$ 13,066	$ 405	$ 13,478	$ 13,893	$ 415
Operating Expenses															
Salaries/Other Personnel Services	$ 2,447	$ 2,485	$ 38	$ 2,538	$ 2,800	262	$ 2,789	$ 2,991	202	$ 3,072	$ 3,131	$ 59	$ 3,251	$ 3,266	15
Maintenance, Materials & Supplies	782	1,437	655	819	808	(11)	823	1,130	307	833	1,046	213	893	1,159	266
Utilities	725	572	(153)	635	529	(106)	510	468	(42)	445	429	(16)	415	394	(21)
Bad Debt Expenses	174	174	-	256	256	-	75	75	-	156	156	-	361	361	-
Depreciation	2,344	2,344	-	2,330	2,330	-	2,311	2,311	-	2,340	2,340	-	2,404	2,404	-
Other Operating Expenses	2,925	2,877	(48)	3,024	3,357	333	3,060	3,165	105	3,182	3,042	(140)	3,171	3,165	(6)
Total Operating Expenses	$ 9,397	$ 9,889	$ 492	$ 9,602	$ 10,080	$ 478	$ 9,568	$ 10,140	$ 572	$ 10,028	$ 10,144	$ 116	$ 10,495	$ 10,749	$ 254
Results of Operations	$ 1,976	$ 1,860	$ (116)	$ 1,818	$ 2,615	$ 797	$ 2,309	$ 2,354	$ 45	$ 2,633	$ 2,922	$ 289	$ 2,983	$ 3,144	$ 161
Non-Operating Revenues (Expenses)															
Investment Income	$ 150	$ 239	$ 89	$ 150	$ 104	$ (46)	$ 150	$ 36	$ (114)	$ 18	$ 26	$ 8	$ 18	$ 26	8
Other Non-Operating Revenues/Transfers In	816	816	-	565	565	-	569	569	-	506	506	-	216	216	-
Interest Expense	(1,152)	(1,152)	-	(1,050)	(1,050)	-	(963)	(963)	-	(892)	(892)	-	(818)	(818)	-
Loss on Disposal of Equipment	-	(22)	(22)	-	(4)	(4)			-			-			-
Other Non-Operating Expenses/Transfer Out	(461)	(461)	-	(1,665)	(1,665)	-	(1,750)	(1,750)	-	3,633	3,633	-	(2,082)	(2,082)	-
Total Non-Operating Revenues and (Expenses)	$ (647)	$ (580)	$ 67	$ (2,000)	$ (2,050)	$ (50)	$ (1,994)	$ (2,108)	$ (114)	$ 3,265	$ 3,273	$ 8	$ (2,666)	$ (2,658)	$ 8
Net Increase (Decrease) in Fund Balance	$ 1,329	$ 1,280	$ (49)	$ (182)	$ 565	$ 747	$ 315	$ 246	$ (69)	$ 5,898	$ 6,195	$ 297	$ 317	$ 486	$ 169

Selected Historical Financial Information and Analysis

The following two tables set forth selected historical financial information for the Parking System. See "Discussion and Analysis of Financial Condition and Results of Operations" below for additional explanation of the financial condition of the Parking System. The financial information for the Parking System was prepared by the University for internal management purposes as an integral part of the University's financial statements, but the information has not been independently audited. This information was prepared on an accrual basis and in accordance with generally accepted accounting principles. Additionally, these statements incorporate requirements for state and local governments established by the Governmental Accounting Standards Board of the Financial Accounting Foundation with the adoption of Statement No. 34 and 35.

The financial information relating to the Parking System is included in the University's financial statements, which are independently audited by the Auditor General as part of the audit of Florida’s Comprehensive Annual Financial Report. However, as stated above, the financial information for the Parking System is not independently audited. Audited University Financial Statements for Fiscal Year 2016-17 are reproduced as Appendix H and unaudited Parking System Financial Statements for Fiscal Year 2016-17 are reproduced as Appendix I.

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University Parking System
Operating Fund[1]
Historical Summary of Revenues, Expenses and Changes in Net Position
Fiscal Years ending on June 30th

	2013	2014	2015	2016	2017	Preliminary[2] 2018
Operating Revenue						
Decal and Reserved Space Sales	$7,434,633	$7,876,520	$8,188,826	$8,650,404	$9,127,210	$9,945,784
Visitor and Patient Toll Parking	1,086,777	1,361,738	1,447,475	1,550,888	1,756,643	1,898,105
Fines Revenue	1,559,599	1,767,868	1,609,788	1,714,295	1,837,185	1,482,973
Other Revenue	1,667,606	1,689,101	1,248,029	1,150,872	1,171,997	1,053,634
Total Operating Revenues	11,748,615	12,695,227	12,494,118	13,066,459	13,893,035	14,380,495
Operating Expenditures						
Salaries and Personnel Services	2,485,087	2,799,838	2,990,688	3,131,385	3,265,611	3,307,026
Maintenance, Materials and Supplies	1,436,604	808,373	1,129,883	1,046,119	1,159,278	902,687
University Administrative Charges	525,295	574,898	535,031	505,904	534,277	507,382
Utilities	571,947	528,829	468,341	429,017	394,323	401,291
Bad Debt Expenses	174,306	255,929	75,257	155,884	361,318	21,299
Depreciation	2,343,858	2,329,606	2,311,100	2,339,532	2,404,100	2,392,622
Other Operating Expenses	2,351,874	2,782,637	2,630,046	2,535,715	2,630,068	2,893,234
Total Operating Expenditures	9,888,971	10,080,110	10,140,346	10,143,556	10,748,975	10,425,541
Results of Operations	$1,859,644	$2,615,117	$2,353,772	$2,922,903	$3,144,060	$3,954,954
Non-Operating Revenue (Expenses)						
Investment Income (Loss)	239,572	104,042	36,389	26,097	26,468	30,114
Other Non-Operating Revenues and Transfers In	816,575	565,104	569,473	506,368	215,833	518,354
Interest Expense	(1,151,958)	(1,049,742)	(962,903)	(892,476)	(817,499)	(673,268)
Loss on Disposal of Equipment	(21,881)	(4,606)	-	-	-	(5,145)
Other Non-Operating Expenses	(461,530)	(1,665,183)	(1,750,825)	3,632,551	(2,082,222)	(2,326,444)
Total Non-Operating Revenues (Expenses)	(579,222)	(2,050,385)	(2,107,866)	3,272,540	(2,657,420)	(2,456,390)
Change in Net Assets	$1,280,422	$564,732	$245,906	$6,195,443	$486,640	$1,498,564

[1] Excludes the Transportation Access Fee revenues that are deposited to the Transportation Fee Fund, and which are not pledged to the Bonds.
[2] Fiscal Year 2017-18 data is preliminary and subject to change.

University Parking System
Operating Fund[1]
Historical Summary of Statement of Net Position
At June 30th

	2013	2014	2015	2016	2017	Preliminary 2018[2]
Current Asset						
Cash and Temporary Investments	$8,459,962	$9,848,806	$10,691,966	$14,648,067	$14,368,024	$17,678,196
Petty Cash	2,625	2,625	2,625	2,625	2,625	2,625
Fines Receivable	251,075	242,549	305,239	183,926	128,262	103,644
Prepaid Expenses	118,165	116,063	112,624	58,021	104,320	74,936
Other Receivables	98,404	130,350	126,601	127,252	507,333	71,779
Total Current Assets	8,930,231	10,340,393	11,239,055	15,019,891	15,110,564	17,931,179
Noncurrent Assets						
Building and Improvements, Net	39,171,263	36,913,788	34,656,315	35,268,498	33,206,854	30,877,842
Furniture and Equipment, Net	421,555	371,155	324,953	396,801	372,596	363,316
Unamortized Bond Issue Costs	299,590	-	-	-	-	-
Total Noncurrent Assets	39,892,408	37,284,943	34,981,268	35,665,299	33,579,450	31,241,158
Total Assets	$48,822,639	$47,625,336	$46,220,323	$50,685,190	$48,690,014	$49,172,337
Current Liabilities						
Accounts Payable	$92,359	$138,201	$103,490	$99,694	$116,147	$95,365
Other Personal Services Payable	15,262	27,594	32,038	43,799	49,147	46,899
Interest Payable	66,211	65,367	58,889	54,871	50,593	46,039
Sales Tax Payable	-	-	-	-	-	24,920
Unearned Revenue	796,218	872,675	949,115	975,163	1,060,343	1,238,685
Due to University of Florida	1,550	1,550	1,550	1,550	1,550	1,550
Current Portion of Long Term Debt	128,780	137,086	145,928	155,341	165,360	176,025
Total Current Liabilities	1,100,380	1,242,473	1,291,010	1,330,418	1,443,140	1,629,483
Long Term Liabilities						
Capital Lease Obligations	2,946,983	2,809,896	2,663,968	2,508,627	2,343,267	2,167,242
Bonds Payable	19,410,249	17,922,949	16,366,607	14,740,266	12,292,623	11,281,930
Compensated Absences Obligations	101,716	121,565	124,379	136,077	154,542	160,326
Total Long Term Liabilities	22,458,948	20,854,410	19,154,954	17,384,970	14,790,432	13,609,498
Total Liabilities	$23,559,328	$22,096,883	$20,445,964	$18,715,388	$16,233,572	$15,238,981
Net Assets						
Invested in Capital Assets	$17,406,396	$16,415,012	$15,804,765	$18,261,065	$20,839,844	$22,958,270
Restricted for Renewal and Replacement	1,915,510	3,945,664	3,500,797	5,265,150	4,676,385	4,676,385
Restricted for Transit Services	-	-	-	-	-	2,728,438
Unrestricted	5,941,405	5,167,777	6,468,797	8,443,587	6,940,213	2,650,482
Change in Net Position	-	-	-	-	-	919,781
Total Net Assets	$25,263,311	$25,528,453	$25,774,359	$31,969,802	$32,456,442	$33,933,356
Total Liabilities and Net Assets	$48,822,639	$47,625,336	$46,220,323	$50,685,190	$48,690,014	$49,172,337

[1] Excludes the Transportation Access Fee revenues that are deposited to the Transportation Fee Fund, and which are not pledged to the Bonds.
[2] Fiscal Year 2017-18 data is preliminary and subject to change.

Discussion and Analysis of Financial Condition and Results of Operations

The financial condition of the Department has continued to strengthen as shown in the previous schedules summarizing financial performance over the last five fiscal years. Demand for parking on campus remains strong and should continue this trend due to the limited parking spaces available on campus and within close proximity in the community surrounding the University.

The financial resources of the Department are predominantly provided from the sale of parking decals, collection of parking fees from visitors and patients and fines assessed and collected for parking violations. The management of Transportation and Parking Services conducts an annual review of the Department's financial condition, including cash reserves, debt service requirements, maintenance and repair requirements and any other needs. This review determines any recommendations for increases in decal prices or visitor/patient parking fees.

The Department's financial goal is to operate on a break-even basis generating revenue sufficient to pay operating costs and debt service and to provide for the long term maintenance of facilities. Fee increases are enacted only when and to the extent needed. Detailed information on the operation of the Department is provided in the "Historical Summary of Revenues, Expenses and Changes in Net Position" for the five Fiscal Years ended June 30, 2017. Decal and reserved space revenues are dependent upon the price of a decal as well as the total number of decals sold. Parking decal revenue increased as decal prices were raised by 2% in Fiscal Year 2013-14 and 4% in Fiscal Year 2015-16 paired with an upward trend in demand for parking decals. Other Revenue includes reimbursement from Shands Teaching Hospital for all operating, maintenance, and repair expenses incurred in providing parking for patients and visitors. Fluctuations in these reimbursed expenses effect the year to year Other Revenue category.

Utilities expense decreased approximately 31% over the five Fiscal Year period 2012-13 through 2016-17. Salaries and Personnel Services have grown due to increased salaries and benefits as well as addition of staff in Fiscal Year 2013-14, Fiscal Year 2014-15, and Fiscal Year 2016-17. After Fiscal Year 2012-13, the University discontinued distribution of interest income to many departments, including Transportation and Parking Services. Other non-operating revenues and transfers-in also includes reimbursements to the Department from other sources within the University such as the student Transportation Access Fee account or other departments. Reimbursements from the Transportation Access Fee account are received for expenses paid by the Department for activities funded by the Transportation Access Fee such as the operation of the Gator Lift transportation service provided to students with mobility impairments and the SNAP program which is the nighttime safe-ride program for students.

Maintenance, materials, and supplies expenditures vary based on findings during the annual facility inspections and additional maintenance needs.

As shown in the Historical Summary of Net Assets for the last five fiscal years, the total net assets of the Department have grown from $25.3 million at June 30, 2013, to $32.5 million as of June 30, 2017. This growth was the result of; (a) management anticipating the need for increased operating capacity, primarily by capitalizing on the increased decal revenues from higher than anticipated parking decal demand, resulting in higher annual operating surpluses and increased transfers to the general (unrestricted) reserves, so future operating statements make provision for the additional long term debt associated with the 2018A Project as well as management's plans for increased investments in the parking facilities and transportation-related campus safety and security initiatives and (b) the annual reductions in long term debt associated with existing parking facilities.

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Historical Debt Service Coverage

The following table shows historical operating results and debt service coverage ratios.

Historical Pledged Revenues and Debt Service Coverage[1]

	2012-13	2013-14	2014-15	2015-16	2016-17
Operating Revenues[2]					
Decal and Reserved Space Sales	$7,434,633	$7,876,520	$8,188,826	$8,650,404	$9,127,210
Visitor and Patient Toll Parking	1,778,492	2,032,221	1,691,319	1,725,409	1,756,643
Fines Revenues	1,559,599	1,767,868	1,609,788	1,714,295	1,837,185
Other Revenues	975,891	1,018,618	1,004,185	976,351	1,171,997
Total Operating Revenues	$11,748,615	$12,695,227	$12,494,118	$13,066,459	$13,893,035
Operating Expenses	$9,888,971	$10,080,110	$10,140,346	$10,143,556	$10,748,975
Less Depreciation Expense	(2,343,858)	(2,329,606)	(2,311,100)	(2,339,532)	(2,404,100)
Less Administrative Overhead	(525,295)	(574,898)	(535,031)	(505,904)	(534,277)
Current Expenses[3]	$7,019,818	$7,175,606	$7,294,215	$7,298,120	$7,810,598
Investment Income[4]	$239,572	$104,042	$36,389	$26,097	$26,468
Pledged Revenues .	$4,968,369	$5,623,663	$5,236,292	$5,794,436	$6,108,905
Annual Debt Service[5]	$3,129,941	$3,130,041	$2,300,982	$2,298,406	$2,302,011
Pledged Revenues after Debt Service and Available for other Expenses/Transfers	$1,838,428	$2,493,622	$2,935,310	$3,496,030	$3,806,894
Maximum Annual Debt Service[6]	$3,130,041	$3,130,041	$2,302,011	$2,302,011	$2,302,011
Debt Service Coverage Ratios					
Total Annual Debt Service	1.59x	1.80x	2.28x	2.52x	2.65x
Maximum Annual Debt Service	1.59x	1.80x	2.27x	2.52x	2.65x

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[1] The financial information related to revenues and expenses was provided by the University and has not been audited. See "Selected Financial Information and Analysis" herein.

[2] Parking System revenues include decal and reserved space sales, parking fines, metered parking, toll parking fees, special events parking, visitor and patient toll parking and miscellaneous revenues, but do not include the Transportation Access Fee charged to each student which is used to pay for local bus service. For Fiscal Year 2015-16, a one-time mitigation fee of $945,000 has been excluded from revenues.

[3] Current Expenses include costs associated with salaries, utilities, daily maintenance, and supplies and repairs and exclude depreciation expenses, general administrative expenses of the University and major maintenance and repair expenses, if any. Current Expenses for Fiscal Year 2012-13 were restated from $7,545,113 to $7,019,818 because in earlier filings, general administrative expenses of the University were inadvertently included as Current Expenses.

[4] Investment income presented in this table includes only interest earned on the operating account of the Parking System.

[5] In addition to the Annual Debt Service shown, on June 1, 2017 the Parking System paid $23,593 of accrued interest and $1.49 million in principal to redeem the 2017 and 2018 maturities of the 1998 Bonds.

[6] Maximum Annual Debt Service occurred in Fiscal Year 2014 and then 2017.

Projected Pledged Revenues and Debt Service Coverage

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

The University developed the projected revenues provided in the following table for internal management purposes only. Parking system revenues are projected to increase based on the following assumptions: (i) faculty, staff and commercial vehicle decals, meter (visitor parking at Welcome Center Garage and the 2018A Project), and University Athletic Association event fees will increase by 7% in Fiscal Years 2017-18 and 2018-19, and 4% in Fiscal Year 2019-20 and Fiscal Year 2020-21; (ii) demand for decals is expected to remain constant despite the price increases; and (iii) conservative projections for fines and other revenue growth over the next five Fiscal Years.

Current expenses are projected to increase under the following assumptions: (i) employee salaries, fringe benefits, and other personnel services will increase 3% per Fiscal Year; (ii) maintenance, materials, supplies expense line reflects management's plan to increase investments in the parking facilities and transportation-related campus safety and security initiatives by $300,000 to $900,000 when compared to the previous five years of actual expenditures (which may remain as an operating expense or result in a transfer from operating funds to contributions to plant, if the improvement meets the criteria for capitalization), the maintenance, materials, supplies expense projections also assume annual adjustments of 5% for inflation; and (iii) electric utility costs are forecasted to remain low due to ongoing energy saving lighting retrofit investments.

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Projected Pledged Revenues and Debt Service Coverage[1]

	2017-18	2018-19	2019-20	2020-21	2021-22
Operating Revenues[2]					
Decal and Reserved Space Sales	$9,944,000	$10,431,000	$10,982,000	$11,311,000	$11,311,000
Visitor and Patient Toll Parking	1,954,000	2,013,000	2,073,000	2,135,000	2,199,000
Fines Revenues	1,489,000	1,682,000	1,783,000	1,890,000	2,004,000
Other Revenues	1,194,000	1,217,000	1,241,000	1,265,000	1,289,000
Total Operating Revenues	$ 14,581,000	$ 15,343,000	$ 16,079,000	$ 16,601,000	$ 16,803,000
Current Expenses[3]					
Salaries and Personnel Services	$2,755,000	$2,839,000	$2,946,000	$3,075,000	$3,209,000
Bus Rent	1,625,500	1,700,000	1,750,000	1,800,000	1,850,000
Maintenance, Materials and Supplies	1,726,000	1,852,000	1,858,000	1,915,000	2,000,000
Student Traffic	325,000	360,000	364,000	367,000	371,000
Utilities	395,000	399,000	431,000	461,000	466,000
Other Operating Expenses	1,341,000	1,571,000	1,343,000	1,379,000	1,417,000
Total Current Expenses	$8,167,500	$8,721,000	$8,692,000	$8,997,000	$9,313,000
Investment Income	$18,000	$18,000	$18,000	$18,000	$18,000
Pledged Revenues	$6,431,500	$6,640,000	$7,405,000	$7,622,000	$7,508,000
Annual Debt Service					
Outstanding Parity Bonds[4]	$2,302,011	$1,358,411	-	-	-
Proposed 2018A Bonds[5]	-	481,675	$3,571,150	$3,568,400	$3,566,025
Total Annual Debt Service	$2,302,011	$1,840,085	$3,571,150	$3,568,400	$3,566,025
Pledged Revenues after Debt Service					
and Available for other Expenses/Transfers	$4,129,489	$4,799,915	$3,833,850	$4,053,600	$3,941,975
Maximum Annual Debt Service	$2,302,011	$3,571,150	$3,571,150	$3,570,900	$3,570,900
Debt Service Coverage Ratios					
Total Annual Debt Service	2.79x	3.61x	2.07x	2.14x	2.11x
Maximum Annual Debt Service	2.79x	1.86x	2.07x	2.13x	2.10x

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

[2] Operating revenues for purposes of calculating Pledged Revenues do not include the Transportation Access Fee revenues, which are not pledged to the Bonds.

[3] Excludes salaries and personnel services paid for by the vehicle assessment fee. Also excludes depreciation and general administrative overhead charges of the University, which are excluded from Current Expenses for purposes of calculating Pledged Revenues. The maintenance, materials and supplies expense line anticipates annual inflation and also includes special projects programmed for specific years, including energy efficient lighting replacements, repaving and crosswalk upgrades.

[4] The Outstanding Parity Bonds will be refunded by the 2018A Bonds and will be redeemed immediately following delivery of the 2018A Bonds.

SCHEDULE OF DEBT SERVICE

The table below shows the debt service on the Outstanding Parity Bonds, the debt service on the 2018A Bonds and the total debt service for the Parking System.

Fiscal Year Ending June 30	Outstanding Parity Bonds[1,2]	2018A Bonds Debt Service			Total Debt Service
		Principal	Interest	Total	
2019	$1,358,411	-	$481,675	$481,675	$1,840,085
2020	-	$1,810,000	1,761,150	3,571,150	3,571,150
2021	-	1,900,000	1,668,400	3,568,400	3,568,400
2022	-	1,995,000	1,571,025	3,566,025	3,566,025
2023	-	2,100,000	1,468,650	3,568,650	3,568,650
2024	-	2,210,000	1,360,900	3,570,900	3,570,900
2025	-	2,315,000	1,247,775	3,562,775	3,562,775
2026	-	2,435,000	1,129,025	3,564,025	3,564,025
2027	-	2,560,000	1,004,150	3,564,150	3,564,150
2028	-	2,690,000	872,900	3,562,900	3,562,900
2029	-	1,375,000	771,275	2,146,275	2,146,275
2030	-	1,450,000	700,650	2,150,650	2,150,650
2031	-	1,520,000	626,400	2,146,400	2,146,400
2032	-	1,590,000	556,600	2,146,600	2,146,600
2033	-	1,655,000	491,700	2,146,700	2,146,700
2034	-	1,725,000	424,100	2,149,100	2,149,100
2035	-	1,795,000	353,700	2,148,700	2,148,700
2036	-	1,870,000	280,400	2,150,400	2,150,400
2037	-	1,945,000	204,100	2,149,100	2,149,100
2038	-	2,025,000	124,700	2,149,700	2,149,700
2039	-	2,105,000	42,100	2,147,100	2,147,100
	$1,358,411	$39,070,000	$17,141,375	$56,211,375	$57,569,7855

[1] All of the Outstanding Parity Bonds will be refunded with proceeds of the 2018A Bonds and will be redeemed immediately following delivery of the 2018A Bonds.
[2] Fiscal Year 2019 includes $79,500 of accrued interest on 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 2018A 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 2018A Bonds in order that interest on the 2018A Bonds be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the 2018A Bonds to be included in federal gross income retroactive to the date of issuance of the 2018A 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 2018A Bonds and the other amounts are to be invested and require that certain investment earnings on the foregoing must be rebated on a periodic basis to the Treasury Department of the United States. The Board of Governors, the Division 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 2018A Bonds.

In the opinion of Bond Counsel, assuming compliance with certain covenants, under existing laws, regulations, judicial decisions and rulings, interest on the 2018A Bonds is excluded from gross income for purposes of federal income taxation. Interest on the 2018A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax. However, interest on the 2018A Bonds shall be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations for taxable years that began prior to January 1, 2018. The alternative minimum tax on corporations was repealed for taxable years beginning on and after January 1, 2018.

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 2018A Bonds. Prospective purchasers of 2018A Bonds should be aware that the ownership of 2018A 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 2018A Bonds; (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by fifteen percent (15%) of certain items, including interest on 2018A Bonds; (iii) the inclusion of interest on 2018A Bonds in earnings of certain foreign corporations doing business in the United States for purposes of the branch profits tax; (iv) the inclusion of interest on 2018A 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 2018A Bonds in "modified adjusted gross income" by recipients of certain Social Security and Railroad Retirement benefits for the purposes of determining whether such benefits are included in gross income for federal income tax purposes.

As to questions of fact material to the opinion of Bond Counsel, Bond Counsel will rely upon representations and covenants made on behalf of the Board of Governors and the Division of Bond Finance, certificates of appropriate officers and certificates of public officials (including certifications as to the use of proceeds of the 2018A Bonds and of the property financed or refinanced thereby), without undertaking to verify the same by independent investigation.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE 2018A BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Information Reporting and Backup Withholding

Interest paid on tax-exempt bonds such as the 2018A 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 2018A 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 2018A Bonds, under certain circumstances, to "backup withholding" at the rate specified in the Code with respect to payments on the 2018A Bonds and proceeds from the sale of 2018A Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of 2018A Bonds. This withholding generally applies if the owner of 2018A 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 2018A Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Other Tax Matters

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 2018A 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 2018A 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 2018A 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 2018A Bonds.

Prospective purchasers of the 2018A Bonds should consult their own tax advisors as to the tax consequences of owning the 2018A Bonds in their particular state or local jurisdiction and regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Tax Treatment of Bond Premium

The difference between the principal amount of the 2018A Bonds (the "Premium Bonds"), and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Premium Bonds of the same maturity and, if applicable, interest rate, was sold constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each of the Premium Bonds, which ends on the earlier of the maturity or call date for each of the Premium Bonds which minimizes the yield on such Premium Bonds to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation in the initial offering is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Bonds. Bondholders of the Premium Bonds are advised that they should consult with their own tax advisors with respect to the state and local tax consequences of owning such Premium Bonds.

State Taxes

The 2018A 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 2018A Bonds should consult their own attorneys and advisors for the treatment of the ownership of the 2018A Bonds for estate tax purposes.

The 2018A Bonds and the income therefrom are subject to the tax imposed by Chapter 220 on interest, income, or profits on debt obligations owned by corporations and other specified entities.

MISCELLANEOUS

Investment of Funds

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

Investment by the Chief Financial Officer - Funds held in the State Treasury are invested by internal and external investment managers. As of June 30, 2018, the ratio was approximately 45% internally managed funds, 44% externally managed funds, 4% Certificates of Deposit and 7% in an externally managed Security Lending program. The total portfolio market value on June 30, 2018, was $24,921,817,810.98.

Under State law, the Treasury is charged with investing funds of each State agency and the judicial branch. As of June 30, 2018, $17.450 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, $5.925 billion as of this date consisted of moneys held by certain boards, associations, or entities created by the State Constitution or by State law that are not required to maintain their investments with the Treasury and are permitted to withdraw these funds from the Treasury.

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

To this end, a portion of Treasury's investments are managed for short-term liquidity and preservation of principal. The remainder is managed to obtain maximum yield, given the safety parameters of State law and Treasury's Comprehensive Investment Policy. Investments managed for short-term liquidity and preservation of principal are managed "internally" by Treasury personnel. The majority of investments managed for a maximum return are managed by "external" investment companies hired by the State.

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

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

The Board of Administration adopts specific investment policy guidelines for the management of its funds which reflect the long-term risk, yield, and diversification requirements necessary to meet its fiduciary obligations. As of June 30, 2018, the Board of Administration directed the investment/administration of 30 funds in 540 portfolios.

As of June 30, 2018, the total market value of the FRS (Defined Benefit) Trust Fund was $160,439,358,858.05. 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 29 designated funds other than the FRS (Defined Benefit) Trust Fund. As of June 30, 2018, the total market value of these funds equaled $40,709,809,290.74. Each fund is independently managed by the Board of Administration in accordance with the applicable documents, legal requirements and investment plan. Liquidity and preservation of capital are preeminent investment objectives for most of these funds, so investments for these are restricted to high quality money market instruments (e.g., cash, short-term treasury securities, certificates of deposit, banker's acceptances, and commercial paper). The term of these investments is generally short, but may vary depending upon the requirements of each trust and its investment plan.

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

Bond Ratings

Moody's Investor Services, Fitch Ratings and S&P Global Ratings (herein referred to collectively as "Rating Agencies"), have assigned their municipal bond ratings of Aa2 (stable outlook), AA- (stable outlook) and AA- (stable outlook), respectively, to the 2018A Bonds. Such ratings reflect only the respective views of such Rating Agencies at the time such ratings were issued, and an explanation of the significance of such ratings may be obtained from any of the respective rating agencies.

The University furnished to such Rating Agencies certain information and material in respect to the University, the Parking System, and the 2018A 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 2018A Bonds.

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 2018A 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 2018A Bonds or the proceedings and authority under which the 2018A 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 nor 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 effect on the issuance and delivery of the 2018A Bonds.

Legal Opinion and Closing Certificates

The approving legal opinion of Bryant Miller Olive P.A., Tallahassee, Florida, which opinion will be provided on the date of delivery of the 2018A 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 2018A 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 2018A 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. However, in March 2016, the Board failed to file a material event notice of a rating downgrade within the prescribed ten business days because neither the University of North Florida nor Standard & Poor's notified the Board or the State of the rating downgrade. The material event notice of the rating downgrade was filed four days late upon the Board and the State learning of the downgrade.

Underwriting

Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Underwriter") has agreed to purchase the 2018A Bonds at an aggregate purchase price of $42,566,367.37 (which represents the par amount of the 2018A Bonds plus an original issue premium of $3,616,177.95 and minus the Underwriter's discount of $119,810.58). The Underwriter may offer and sell the 2018A 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

This Official Statement has been prepared by the Division of Bond Finance as agent for the Board pursuant to Section 215.61(4), Florida Statutes, and the proceedings referred to herein. 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 DirectorDivision of Bond
Finance

BOARD OF GOVERNORS

NED C. LAUTENBACH
Chair

APPENDIX A

DEFINITIONS

"1993 Bonds" means the State of Florida, Board of Regents, University of Florida Parking Facility Revenue Bonds, Series 1993, issued pursuant to the Original Resolution.

"2007A Bonds" means the State of Florida, Board of Governors, University of Florida Parking Facility Revenue Bonds, Series 2007A, issued pursuant to the Second Supplemental Resolution.

"2018A Bonds" means the State of Florida, Board of Governors, University of Florida Parking Facility Revenue Bonds, Series 2018A, authorized to be issued pursuant to the Third and Fourth Supplemental Resolutions.

"2018A Project" means the construction and equipping of a parking facility on the main campus of University of Florida, to be financed by the 2018A Bonds.

"2018A Project Construction Fund" means a trust fund held by the State Treasurer in which shall be deposited the net proceeds of the New Money Portion of the 2018A Bonds and other available moneys for the construction of the 2018A Project.

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

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

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

"Auditor General" means the Auditor General of the State of Florida.

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

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

"Bond Amortization Account" means the account within the Sinking Fund created pursuant to Section 4.02(B) of the Resolution.

"Bond Insurance Policy" means 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" means U.S. Bank Trust National Association, New York, New York, and its successors.

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

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

"Completion Bonds" means those Bonds issued pursuant to Section 5.04 of the Original Resolution to pay the cost of completing the 2018A Project.

"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 or the University incident to the operation of the Parking System as expanded by the terms of the Resolution, but shall exclude depreciation, all general administrative expenses of the Board or the University, the expenses of operation of auxiliary facilities the revenues of which are not pledged as security for the Bonds and the payments into the Parking System Maintenance and Equipment Reserve Fund.

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

"Fourth Supplemental Resolution" means the resolution adopted on March 14, 2017, by the Governing Board authorizing the issuance of the Refunding Portion of the 2018A Bonds.

"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.

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

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

"Maximum Annual Debt Service" 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 in the then current or any succeeding Fiscal Year into the Sinking Fund. For the purpose of calculating the deposits to be made into a sub-account in the Reserve Account, the Maximum Annual Debt Service means, at any time, the maximum amount, if any, required to be deposited in 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 2018A Bonds the proceeds of which will be used to finance the construction of the 2018A Project.

"Original Resolution" means the resolution adopted on June 8, 1993, by the Governor and Cabinet as the Governing Board of the Division of Bond Finance authorizing the issuance of the 1993 Bonds and additional Parity Bonds.

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

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

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

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

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

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

"Parking System" means (1) the University's existing parking facilities located in Gainesville, Florida on the campus of the University; (2) the 2018A Project; and (3) such additional parking facilities as at some future date may be added to the Parking System by designation of the Board of Governors.

"Parking System Maintenance and Equipment Reserve Fund" means the fund required to be created pursuant to Section 4.02(C) of the Original Resolution.

"Parking System Revenues" means all fees, rentals or other charges and income received by the University from students, faculty members and others using or being served by or having the right to use, or having the right to be served by, the Parking System, and all parts thereof, except the transportation access fee and fines collected by the Student Traffic Court, and specifically including, without limiting the generality of the foregoing, parking decal fees, parking fines, toll parking fees, bus service fees, metered parking fees, and any special rental fees or charges for services or space provided.

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

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

"Project Costs" means the actual costs of the 2018A Project, including costs of design and construction; materials, labor, furnishings, equipment and apparatus; sitework and landscaping; roadway and parking facilities; the acquisition of all lands or interests therein, and all other property, real or personal, appurtenant to or useful in the 2018A Project; interest on the 2018A Bonds for a reasonable period after date of delivery thereof, if necessary; an amount sufficient to establish adequate reserves; architectonic and engineering fees; legal fees; reimbursement for prior authorized expenditures; and fees and expenses of the Division of Bond Finance, the Board of Administration, the University, or the Board of Governors necessary to the construction and placing in operation of the 2018A Project and the financing thereof.

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

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

"Rebate Fund" means the Rebate Fund created and established pursuant to Section 6.05 of the Resolution.

"Rebate Year" means, with respect to each Series of Bonds issued hereunder, (i) the twelve-month period commencing on the anniversary of the "closing date" with respect to such Series of 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 such Series of Bonds shall commence on the "closing date" for such Series of Bonds and the final Rebate Year with respect to the Bonds shall end on the date of final maturity or early redemption of such Series of 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 in the Resolution means, with respect to the Series of Bonds issued under the Resolution, the date of issuance and delivery of such Series of Bonds to the original purchaser thereof.

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

"Refunded Bonds" means all of the 2007A Bonds to be refunded with the Refunding Portion of the 2018A Bonds.

"Refunding Portion" means the portion of the 2018A Bonds the proceeds of which will be used to refund the Refunded Bonds.

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

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

"Reserve Account Insurance Policy" means the insurance policy, surety bond or other acceptable evidence of insurance, if any, deposited in a debt service reserve subaccount, if any, in lieu of or in partial substitution for cash or securities on deposit therein. The provider of such Reserve Account Insurance Policy shall be an insurer rated in one of the two highest full rating categories of a Rating Agency.

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

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

"Resolution" means the Original Resolution, as amended and supplemented.

"Revenue Fund" means the University of Florida Parking System Revenue Fund created and established pursuant to Section 4.02 of the Original Resolution.

"Second Supplemental Resolution" means the resolution adopted on June 12, 2007, by the Governing Board amending the Original Resolution and authorizing the issuance of the 2007A Bonds.

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

"Series" or "Series of Bonds" means all of the Bonds authenticated and delivered on original issuance pursuant to the 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 Original Resolution, regardless of variations in maturity, interest rate or other provisions.

"Sinking Fund" means the University of Florida Parking System Sinking Fund created and established pursuant to Section 4.02(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 Sinking Fund, as may be provided pursuant to a subsequent resolution of the Division of Bond Finance.

"Third Supplemental Resolution" means the resolution adopted on March 14, 2017, by the Governing Board authorizing the issuance of the New Money Portion of the 2018A Bonds.

"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.

APPENDIX B

A RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $21,000,000 STATE OF FLORIDA, BOARD OF REGENTS, UNIVERSITY OF FLORIDA PARKING FACILITY REVENUE BONDS, SERIES 1993, TO FINANCE THE CONSTRUCTION OF PARKING FACILITIES AT THE UNIVERSITY OF FLORIDA; AUTHORIZING THE REFUNDING OF CERTAIN OUTSTANDING UNIVERSITY OF FLORIDA REVENUE BONDS; PROVIDING FOR CERTAIN COVENANTS IN CONNECTION THEREWITH AND PROVIDING FOR AN EFFECTIVE DATE.

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

ARTICLE I
AUTHORITY, DEFINITIONS, AND FINDINGS

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

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

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

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

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

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

(E) "Auditor General" shall mean the Auditor General of the State of Florida.

(F) "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.

(G) "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.

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

(I) "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 this Resolution, in the manner and in accordance with the terms provided in such Bond Insurance Policy.

(J) "Bond Registrar/Paying Agent" shall mean Citibank, N.A., New York, New York, or its successor.

(K) "Bonds" shall mean the 1993 Bonds and any additional parity bonds issued in accordance with Section 5.01 hereof.

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

(M) "Completion Bonds" shall mean those Bonds issued pursuant to Section 5.04 of this Resolution to pay the cost of completing the 1993 Project.

(N) "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 or the University incident to the operation of the Parking System as expanded by the terms of this Resolution, but shall exclude depreciation, all general administrative expenses of the Board of Regents or the University, the expenses of operation of auxiliary facilities the revenues of which are not pledged as security for the Bonds and the payments into the Parking System Maintenance and Equipment Reserve Fund hereinafter provided for.

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

(P) "Division of Bond Finance" shall mean the Division of Bond Finance of the State Board of Administration.

(Q) "Escrow Deposit Agreement" shall mean the Escrow Deposit Agreement between the Division of Bond Finance and the Board of Administration, the form of which is attached hereto as an exhibit and is hereby approved, subject to such changes, insertions, omissions and filling of blanks therein as the Director or an Assistant Secretary of the Division of Bond Finance may deem necessary or desirable.

(R) "Escrow Deposit Trust Fund" shall mean the Outstanding University of Florida Parking System Revenue Bonds Escrow Deposit Trust Fund established pursuant to Section 3.02(3)(b) of this Resolution.

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

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

(U) "Holder of Bonds", "Bondholder", "Registered Owner" or any similar term, shall mean any person who shall be the registered owner of any Bonds.

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

(W) "Maximum Annual Debt Service" shall mean, at any time, the maximum amount (with respect to the particular Series of Bonds, or all Bonds, as the case may be), required to be deposited in the then current or any succeeding Fiscal Year into the Sinking Fund. For the purpose of calculating the deposits to be made into a sub-account in the Reserve Account, the

Maximum Annual Debt Service shall mean, at any time, the maximum amount, if any, required to be deposited in 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.

(X) "1993 Bonds" shall mean the not to exceed $21,000,000 State of Florida, Board of Regents, University of Florida Parking Facility Revenue Bonds, Series 1993.

(Y) "1993 Project" shall mean the multi-level parking facilities and associated offices located on the University of Florida main campus which will include auxiliary service support space 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.

(Z) "1993 Project Construction Fund" shall mean a trust fund in which shall be deposited the net proceeds of the 1993 Bonds and other available moneys for the construction of the 1993 Project.

(AA) "1993 Project Costs" shall mean the actual costs of the 1993 Project, including costs of design and construction; materials, labor, parking equipment and apparatus; sitework and landscaping; interest on the Bonds for a reasonable period after the date of delivery thereof, if necessary; an amount sufficient to establish adequate reserves; architect and engineering fees; legal fees; reimbursement for prior authorized expenditures; and fees and expenses of the Division of Bond Finance, the Board of Administration, the University, or the Board of Regents necessary to the construction and placing in operation of the 1993 Project and the financing thereof.

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

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

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

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

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

(CC) "Outstanding Obligations" shall mean the $10,470,000 State of Florida, Board of Regents, University of Florida Parking System Revenue Bonds, Series 1988R.

(DD) "Parking System" shall mean (i) the University's existing parking facilities located in Gainesville, Florida on the campus of the University; (2) the 1993 Project; and (3) such additional parking facilities as at some future date may be added to the Parking System by designation of the Board of Regents.

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

(FF) "Parking System Revenues" shall mean all fees, rentals or other charges and income received by the University from students, faculty members and others using or being served by or having the right to use, or having the right to be served by, the Parking System, and all parts thereof, except fines collected by the Student Traffic Court, and specifically including, without limiting the generality of the foregoing, parking decal fees, parking fines, toll parking fees, bus service fees, metered parking fees, and any special rental fees or charges for services or space provided.

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

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

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

(JJ) "Rebate Amount" shall have the meaning ascribed to that term in Section 6.05 of this Resolution.

(KK) "Rebate Fund" shall mean the Rebate Fund created and established pursuant to Section 6.05 of this Resolution.

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

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

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

(OO) "Reserve Account Credit Facility" shall mean a Reserve Account Insurance Policy, Reserve Account Letter of Credit or other comparable insurance or financial product, if any, deposited in a debt service reserve subaccount in lieu of or in partial substitution for cash or securities on deposit therein. The provider of such Reserve Account Credit Facility shall be rated in one of the two highest full rating categories of a Rating Agency.

(PP) "Reserve Account Insurance Policy" shall mean the insurance policy, surety bond or other acceptable evidence of insurance, if any, deposited in a debt service reserve subaccount, if any, in lieu of or in partial substitution for cash or securities on deposit therein. The provider of such Reserve Account Insurance Policy shall be an insurer rated in one of the two highest full rating categories of a Rating Agency.

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

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

(SS) "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 1993 Bonds.

(TT) "Retirement of the Outstanding Obligations" or words of similar impact, shall mean the provision for the payment of the principal of and interest on all or a portion of the refunded Outstanding Obligations as the same become due and payable, and the fees and expenses incurred in such refunding. Such phrase shall also mean the defeasance and release of the holders of the refunded Outstanding Obligations of the pledge of and lien on the Parking System Revenues defined herein, upon deposit of a sufficient amount of moneys into escrow for such purposes as provided for herein.

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

(VV) “Serial Bonds” shall mean the Bonds of a Series which shall be stated to mature in periodic installments.

(WW) “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.

(XX) “Sinking Fund” shall mean the University of Florida Parking System Sinking Fund created and established pursuant to Section 4.02(B) of this Resolution.

(YY) “State” shall mean the State of Florida.

(ZZ) “State Loan” shall mean the loan made pursuant to Chapter 74-184, Laws of Florida, for construction of parking facilities at the J. Hillis Miller Health Center at the University of Florida.

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

(BBB) “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.

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

(A) The 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 the 1993 Project at the University is necessary, desirable and in the best interest of the University.

(C) The Board of Regents will adopt a resolution prior to the sale of the Series 1993 Bonds requesting the Board of Education and 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 Parking Facility Revenue Bonds, Series 1993.

(D) The State at this time is without immediately available funds to make the capital outlay necessary for the construction of the 1993 Project.

(E) Pursuant to the State Bond Act, the Division of Bond Finance is authorized to issue the 1993 Bonds on behalf of the Board of Regents to finance the 1993 Project and to refund all or a portion of the Outstanding Obligations.

(F) The 1993 Project shall be the construction and establishment of parking facilities substantially in accordance with the plans and specifications as may be approved by the Board of Regents from time to time.

(G) As required by Article VII, Section 11(e) of the Florida Constitution, the Florida Legislature approved the 1993 Project in Section 5(9) of Chapter 92-293, Laws of Florida.

(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 or the University in the manner provided by this Resolution, consisting of the Pledged Revenues as hereinafter 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 11(d), Florida Constitution, and shall be payable solely from funds derived directly from sources other than 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) There are currently outstanding the State of Florida, Board of Regents, University of Florida Parking System Revenue Bonds, Series 1988R, which have a lien on the Pledged Revenues.

(M) All or a potion of the Outstanding Obligations may be refunded and defeased with a portion of the proceeds of the 1993 Bonds, in the manner provided herein.

(N) (1) Upon issuance and delivery of the 1993 Bonds, if any of the Outstanding Obligations are refunded, sufficient moneys will be deposited into the Escrow Deposit Trust Fund established for the refunded Outstanding Obligations to provide for (a) the purchase of securities, which when they mature will provide for payment of the principal, and interest if any, on the refunded Outstanding Obligations, as they become due and payable and (b) the amount of fees and expenses to be incurred in connection with the refunding of the refunded Outstanding Obligations in the manner provided herein.

(2) If any of the Outstanding Obligations are refunded, the Division of Bond Finance and the State Board of Administration will enter into an Escrow Deposit Agreement to be in the form attached hereto, with such insertions, deletions and modifications as shall be approved by bond counsel prior to the issuance and delivery of the Bonds herein authorized, which Escrow Deposit Agreement shall govern and provide for the payment and Retirement of the Outstanding Obligations in accordance with the terms of the proceedings authorizing the issuance of the 1993 Bonds; and that the moneys accumulated in the Sinking Fund established for the Outstanding Obligations shall be transferred to the Escrow Deposit Trust Fund for the payment and retirement thereof, pursuant to the Escrow Deposit Agreement.

(3) As required by Article VII, Section 11(e) of the Florida Constitution, the Florida Legislature approved the refunding of the Outstanding Obligations in Section 43 of Chapter 92-326, Laws of Florida.

(4) After issuance and delivery of the 1993 Bonds and the establishment of the Escrow Deposit Trust Fund for the refunded Outstanding Obligations referred to above, the refunded Outstanding Obligations shall thereafter be secured by and payable solely from the moneys to be deposited in escrow for the Retirement of the Outstanding Obligations in the manner provided for in this Resolution.

(O) The proceeds of the 1993 Bonds will be sufficient, together with other available moneys, to pay the cost of the 1993 Project and the refunding of the Outstanding Obligations as provided in this Resolution.

(P) In the event the Division of Bond Finance does not refund the Outstanding Obligations, a subsequent resolution will be adopted by the Governing Board amending this resolution to recognize the Outstanding Obligations. The 1993 Bonds will then be issued as parity bonds with the Outstanding Obligations, and the 1993 Bonds will be issued in full compliance with all requirements of the resolution authorizing the Outstanding Obligations.

SECTION 1.04. RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the acceptance of the 1993 Bonds by those who shall hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract among the Division of Bond Finance, the Board of Regents, the University and such Bondholders. The covenants and agreements to be performed by the Board of Regents and the University shall be for the equal benefit, protection, and security of the legal holders of any and all of the 1993 Bonds, as defined herein, all of which shall be of equal rank and without preference, priority, or distinction as to any of such Bonds over any other thereof, except as expressly provided therein and herein.

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

SECTION 2.01. AUTHORIZATION OF 1993 Bonds. Subject and pursuant to the provisions of this Resolution, fully registered revenue bonds of the Board of Regents of the Division of Universities of the State of Florida Department of Education to be known as "State of Florida, Board of Regents, University of Florida Parking Facility Revenue Bonds, Series

1993", 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 Twenty One Million Dollars ($21,000,000), for the purpose of financing the construction and equipping of the 1993 Project, and refunding and defeasing or all or a portion of the Outstanding Obligations, as described herein.

SECTION 2.02. DESCRIPTION OF 1993 Bonds. The 1993 Bonds shall be issued in fully registered form without coupons; shall be dated as determined pursuant to a subsequent resolution of the Division of Bond Finance; shall be numbered consecutively from one (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 on each Interest Payment Date, except for Capital Appreciation Bonds which shall bear interest as described under the defined term Accreted Value, payable only upon redemption, acceleration or maturity thereof; and shall mature on such dates in such years and amounts as shall be determined pursuant to a subsequent resolution adopted by the Division of Bond Finance on or prior to the sale of the Bonds.

The 1993 Bonds may be sold at one time or in Series from time to time as the Division of Bond Finance may determine by resolution. If issued in Series, each Series shall be dated and have an identifying number or letter. All of such 1993 Bonds, when issued, will rank equally as to source and security for payment.

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

SECTION 2.03. NO PLEDGE OF FULL FAITH AND CREDIT OF STATE OF FLORIDA. The payment of the principal of and interest on the Bonds is secured only by the Pledged Revenues, as defined herein, generated by the Parking System in the manner set forth herein. The Bonds do not constitute general obligations or indebtedness of the State of Florida or any of its agencies and shall not be a debt of the State or of any agency, and the full faith and credit of the State is not pledged to the principal of or interest on the Bonds.

SECTION 2.04. 1993 BONDS MAY BE ISSUED AS SERIAL BONDS OR TERM BONDS. The 1993 Bonds may be issued as, or as a combination of, Serial Bonds, Term Bonds, Capital Appreciation Bonds or such other type of bonds as shall be determined pursuant to a subsequent resolution of the Division of Bond Finance.

SECTION 2.05. PRIOR REDEMPTION OF THE 1993 BONDS. The 1993 Bonds shall be subject to redemption as provided in this Resolution and in the Notice of Bond Sale, provided that the Director or the Secretary or an Assistant Secretary of the Governing Board is authorized to amend the redemption provisions of the 1993 Bonds in such manner as he may determine to be in the best interest of the State.

Unless waived by any Holder of 1993 Bonds to be redeemed, a notice of the redemption prior to maturity of any of the 1993 Bonds shall be mailed by first class mail (postage prepaid) at least thirty (30) days prior to the date of redemption to the Registered Owner of the 1993 Bonds to be redeemed, of record on the books of the Bond Registrar, as of forty-five days prior to the date of redemption. Such notice of redemption shall specify the serial or other distinctive numbers or letters of the 1993 Bonds to be redeemed, if less than all, the date fixed for redemption, and the redemption price thereof and, in the case of 1993 Bonds to be redeemed in part only, the principal amount thereof to be redeemed. Failure to give any such notice by mailing to any Holder of 1993 Bonds, or any defect therein, shall not affect the validity of the proceedings for the redemption of any 1993 Bond or portion thereof with respect to which no such failure has occurred. Any notice mailed as provided above shall be conclusively presumed to have been given, whether or not the Registered Owner of such 1993 Bond receives such notice.

The privilege of transfer or exchange of any of the 1993 Bonds is suspended during a period beginning at the opening of business on the 15th business day next preceding the date fixed for redemption and ending at the close of business on the date fixed for redemption.

Notice having been given in the manner and under the conditions hereinabove provided, the 1993 Bonds or portions of 1993 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 1993 Bonds or portions of 1993 Bonds on such date. On the date so designated for redemption, notice having been given and moneys for payment of the redemption price being held in separate accounts by an escrow agent, the Board of Administration, or the Bond Registrar/Paying Agent, in trust for the Registered Owners of the 1993 Bonds or portions thereof to be redeemed, all as provided in this Resolution, interest on the 1993 Bonds or portions of 1993 Bonds so called for redemption shall cease to accrue, such 1993 Bonds and portions of 1993 Bonds shall cease to be Outstanding under the provisions of this Resolution and shall not be entitled to any lien, benefit or security under this Resolution, and the Registered Owners of such 1993 Bonds or portions of 1993 Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof from the moneys held in trust for the payment thereof and, to the extent provided herein to receive 1993 Bonds for any unredeemed portion of the Bonds. Any and all 1993 Bonds redeemed prior to maturity shall be duly cancelled by the Bond Registrar/Paying Agent and shall not be reissued.

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

(a) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (i) the CUSIP numbers of all 1993 Bonds being redeemed; (ii) the date of issue of the 1993 Bonds as originally issued; (iii) the rate of interest borne by each 1993 Bond being redeemed; (iv) the maturity date of each 1993 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 1993 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 1993 Bonds (such depositories now being The Depository Trust Company, New York, New York, Midwest Securities Trust Company, Chicago, Illinois, and Philadelphia Depository Trust Company, Philadelphia, Pennsylvania) and to one or more national information services that disseminate notices of redemption of obligations such as the 1993 Bonds.

(c) Each further notice of redemption shall be published one time in The Bond Buyer of New York, New York or in some other financial newspaper or journal which regularly carries notices of redemption of other obligations similar to the 1993 Bonds, such publication to be made at least thirty (30) days prior to the date fixed for redemption.

(d) Upon the payment of the redemption price of 1993 Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying the 1993 Bonds redeemed with the proceeds of such check or other transfer.

In case part but not all of an Outstanding 1993 Bond shall be selected for redemption, the Registered Owner thereof shall present and surrender such 1993 Bond to the Bond Registrar/Paying Agent for payment of the principal amount thereof so called for redemption, and the Bond Registrar/Paying Agent shall execute and deliver to or upon the order of such Registered Owner, without charge therefor, for the unredeemed balance of the principal amount of the 1993 Bond so surrendered, a 1993 Bond or 1993 Bonds fully registered as to principal and interest.

SECTION 2.06. EXECUTION OF 1993 BONDS. The 1993 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 pursuant to 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/Paying Agent's certificate of authentication shall appear on the 1993 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 1993 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 1993 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 1993 Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such 1993 Bonds had not ceased to hold such office. Any 1993 Bond may be signed and sealed on behalf of the Board of Regents by such person as to the actual time of the execution of such 1993 Bond shall hold the proper office, although at the date of such 1993 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 1993 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 2.07. NEGOTIABILITY. The 1993 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 1993 Bonds shall be conclusively deemed by his acceptance thereof to have agreed that the 1993 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 2.08. REGISTRATION AND TRANSFER. The 1993 Bonds shall be issued only as fully registered bonds without coupons. The Bond Registrar/Paying Agent shall be responsible for maintaining the books for the registration of and for the transfer of the Bonds in compliance with its agreement with the State.

Upon surrender to the Bond Registrar/Paying Agent for transfer or exchange of any 1993 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 1993 Bond of authorized denomination of the same maturity for the aggregate principal amount which the Registered Owner is entitled to receive.

All 1993 Bonds presented for transfer, exchange, redemption or payment shall be accompanied (if so required by the Division of Bond Finance or the Bond Registrar/Paying Agent) by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Division of Bond Finance and the Bond Registrar/Paying Agent, duly executed by the Registered Owner or by his duly authorized attorney.

Neither the Division of Bond Finance nor the Bond Registrar/Paying Agent may charge the Bondholder or his transferee for any expenses incurred in making any exchange or transfer of the 1993 Bonds. However, the Division of Bond Finance and the Bond Registrar/Paying Agent may require payment from the Bondholder of a sum sufficient to cover any tax, fee, or other governmental charge that may be imposed in relation thereto. Such governmental charges and expenses shall be paid before any such new Bond shall be delivered.

New 1993 Bonds delivered upon any transfer or exchange shall be valid obligations of the Board of Regents evidencing the same debt as the 1993 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 1993 Bonds surrendered.

The Board of Regents and the Bond Registrar/Paying Agent may treat the Registered Owner of any 1993 Bond as the absolute owner thereof for all purposes, whether or not such 1993 Bond shall be overdue, and shall not be bound by any notice to the contrary. The person in whose name any 1993 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 of Bond Finance or the Bond Registrar/Paying Agent.

Notwithstanding the foregoing provisions of this Section 2.08, the Division of Bond Finance reserves the right, on or prior to the delivery of the 1993 Bonds, to amend or modify the foregoing provisions relating to registration of the 1993 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 2.09. AUTHENTICATION. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Resolution unless and until a certificate of authentication on such Bond substantially in the form herein set forth shall have been duly executed by the manual signature of the Bond Registrar/Paying Agent, and such executed certificate of the Bond Registrar/Paying Agent upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Resolution. The Bond Registrar/Paying Agent's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer or signatory of the Bond Registrar/Paying Agent, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all of the Bonds issued hereinafter.

SECTION 2.10. DISPOSITION OF BONDS PAID OR EXCHANGED. Whenever any Bond shall be delivered to the Bond Registrar/Paying Agent for cancellation, upon payment of the principal amount thereof or for replacement or transfer or exchange, such Bond shall either be cancelled and retained by the Bond Registrar/Paying Agent for a period of time specified in writing by the Division of Bond Finance or the Board of Administration, or, at the option of the Division of Bond Finance or the Board of Administration, shall be cancelled and destroyed by the Bond Registrar/Paying Agent and counterparts of a certificate of destruction evidencing such destruction shall be furnished to the Division of Bond Finance or the Board of Administration.

SECTION 2.11. BONDS MUTILATED, DESTROYED, STOLEN OR LOST. In case any Bond shall become mutilated, or be destroyed, stolen or lost, the Division of Bond Finance may in its discretion issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen, or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the 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 Bonds so surrendered shall be cancelled by the Bond Registrar/Paying Agent. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Division of Bond Finance may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bond issued pursuant to this Section 2.11 shall constitute original, additional, contractual obligations on the part of the Board of Regents, whether or not the lost, stolen or destroyed Bond be at any time found by anyone and such duplicate Bond shall be entitled to equal and proportionate benefits and rights as to lien, source and security for payment, pursuant to this Resolution from the Pledged Revenues.

SECTION 2.12. FORM OF 1993 BONDS. The text of the 1993 Bonds, together with the validation certificate to be endorsed thereon, shall be substantially of the following tenor, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Resolution or any subsequent resolution adopted prior to the issuance thereof:

[FORM OF BOND INTENTIONALLY OMITTED]

ARTICLE III
APPLICATION OF PROCEEDS

SECTION 3.01. CONSTRUCTION OF THE 1993 Project. The Board of Regents is authorized to construct the 1993 Project from the proceeds of the sale of the 1993 Bonds and other legally available funds, subject to the provisions of this Resolution and the applicable laws of Florida.

SECTION 3.02. APPLICATION OF 1993 BOND PROCEEDS. (A) Upon receipt of the proceeds of the sale of the 1993 Bonds, and after reserving an amount sufficient to pay all costs and expenses incurred in connection with the preparation, issuance and sale of the 1993 Bonds, including a reasonable charge for the Division of Bond Finance's services, including arbitrage compliance program set-up, the Division of Bond Finance shall transfer and deposit the remainder of the 1993 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, shall be transferred to the Board of Administration and deposited in the Reserve Account in the Sinking Fund to be used solely for the purpose of the Reserve Account. Alternatively, the Division of Bond Finance, as provided in Section 4.02(B), 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 in the Sinking Fund, created by this Resolution, and used for the payment of interest on the 1993 Bonds.

(3)(a) Prior to the delivery of the Bonds, the Division of Bond Finance shall obtain from the Board a certificate or certificates, setting forth (i) a schedule of the principal amount of the Outstanding Obligations to be refunded; (ii) a schedule of the amount of interest payable on the Outstanding Obligations to be refunded; (iii) the amount of fees and expenses estimated by the Board of Administration to be incurred in connection with the Retirement of the Outstanding Obligations; and (iv) verification that the escrow created by the Escrow Deposit Agreement executed with respect to the issuance of the Bonds is sufficiently funded.

(b) An amount together with the interest earnings thereon, and other amounts deposited therein which will be sufficient to pay when due the amounts certified in accordance with Section 3.02(3)(a), shall be transferred and deposited in escrow pursuant to the terms of an Escrow Deposit Agreement with the Board of Administration.

The Escrow Deposit Trust Fund shall be held in trust by the Board of Administration pursuant to the Escrow Deposit Agreement to be entered into between the Division of Bond Finance and the Board of Administration, as Trustee.

(4) After making the transfers provided for in subsections (1), (2) and (3) above, the balance of the proceeds of the Bonds shall be transferred to and deposited into the 1993 Project Construction Fund, which is hereby created in the State Treasury, and used for the purposes of said 1993 Project Construction Trust Fund.

Any unexpended balance remaining in the 1993 Project Construction Fund, after a consulting architect shall certify that the 1993 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 1993 Bonds, the Board of Regents covenants that it will deposit in the 1993 Project Construction Fund additional funds legally available for such purpose which, together with the proceeds of the 1993 Bonds, will be sufficient to finance the total 1993 Project Costs. Any such additional funds, other than the proceeds of the 1993 Bonds or Completion Bonds, shall be derived from sources and in a manner which will not jeopardize the security of the Bonds issued pursuant to this Resolution.

All moneys in said 1993 Project Construction Fund, or in any other construction fund hereafter created for any project hereafter financed in whole or in part from the proceeds of 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, 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 1993 PROJECT CONSTRUCTION FUND. Any moneys in the 1993 Construction Fund not immediately needed for the purposes provided in this Resolution, may be temporarily invested and reinvested as provided in Section 18.10, Florida Statutes.

ARTICLE IV
APPLICATION AND ADMINISTRATION OF PLEDGED REVENUES

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

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

SECTION 4.02. APPLICATION OF PARKING SYSTEM REVENUES. Upon collection the Parking System Revenues shall be deposited by the University in a separate account in a bank approved by the Board of Regents and the State Treasurer. This separate account shall be known as the "University of Florida Parking System Revenue Fund" (hereinafter referred to as the "Revenue Fund") which is hereby created. Said fund constitutes a trust fund for the purposes provided in this Resolution, and shall be kept separate and distinct from all other funds of the University and the Board of Regents and used only for the purposes and in the manner provided in this Resolution. All revenues in the Revenue Fund shall be applied only in the following manner and order of priority:

(A) First, for payment of Current Expenses of the Parking System for the current month, as determined in the annual budget of the University.

(B) Second, the remaining moneys not needed for the purpose of (A) above shall be transferred to the Board of Administration in an amount sufficient to be used as follows:

(i) for payment of the Administrative Expenses;

(ii) for deposit into the Sinking Fund, which is hereby created, until there is accumulated in said Sinking Fund an amount sufficient to pay the next installments of principal and interest to become due during the then current Fiscal Year, including Amortization Installments for any Term Bonds which funds shall be deposited into the Bond Amortization Account which is hereby created;

(iii) for the maintenance and establishment, if necessary, together with other moneys available for such purposes, of the Reserve Account, or sub-accounts therein, in the Sinking Fund in an amount equal to the Debt Service Reserve Requirement.

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

Notwithstanding the foregoing provisions, in lieu of the required deposits into the Reserve Account, the Board of Regents may at any time cause to be deposited into one or more sub-accounts in the Reserve Account, a Reserve Account Credit Facility for the benefit of the Bondholders for which such sub-account has been established, in an amount which, together with sums on deposit, equals the Debt Service Reserve Requirement. The Reserve Account Credit Facility shall be payable or available to be drawn upon, as the case may be, on or before any Interest Payment Date or Principal Payment Date on which a deficiency exists which cannot be cured by funds in any other account held for such Bonds pursuant to this Resolution and available for such purpose. In no event shall the use of such Reserve Account Credit Facility be permitted if it would cause, at the time of acquisition of such Reserve Account Credit Facility, an impairment in any existing rating on the Bonds or any Series of Bonds. If a disbursement is made under the Reserve Account Credit Facility, the Board of Regents shall be obligated, from the first Pledged Revenues available, to either reinstate such Reserve Account Credit Facility, immediately following such disbursement to the amount required to be maintained in the Reserve Account or to deposit into the applicable sub-account in the Reserve Account from the Pledged Revenues, as herein provided, funds in the amount of the disbursement made under such Reserve Account Credit Facility plus any amounts required to reimburse the Reserve Account Credit Facility provider for previous disbursements made pursuant to such Reserve Account Credit Facility, or a combination of such alternatives as shall equal the amount required to be maintained.

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

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

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

Any moneys in a sub-account in the Reserve Account in excess of the amount required to be maintained therein shall first be used to cure any deficiency in any other sub-account in the Reserve Account and any remaining monies shall be deposited into the Revenue Fund; and

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

(C) Third, 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 Sinking Fund shall be transferred by the Board of Administration to the University for deposit in the Parking System Maintenance and Equipment Reserve Fund to be established by the University in a separate account in a bank approved by the Board of Regents and the State Treasurer. Amounts required by this Resolution to be deposited in the Parking System Maintenance and Equipment Reserve Fund shall be as approved in the annual budget of the University pursuant to Section 8.12 hereof. Such deposits shall continue to be made in each Fiscal Year in amounts necessary to maintain a balance of deposits in such amounts as are required to be deposited by the Board of Regents.

The moneys in said Parking System Maintenance and Equipment Reserve Fund may be drawn on and used by the Board of Regents or the University for the purpose of paying the cost of unusual or extraordinary maintenance or repairs, renewals and replacements, and the renovating or replacement of the equipment not paid as part of the ordinary and normal expense of the operation and maintenance of said 1993 Project.

In the event the moneys in the Sinking Fund and Reserve Account therein on any Interest Payment Date or Principal Payment Date shall be insufficient to pay the next maturing installment of principal or interest on the Bonds, then moneys in said Parking System Maintenance and Equipment Reserve Fund may be transferred to the Sinking Fund to the extent necessary to eliminate such deficiencies and to avoid a default or to the Rebate Fund to pay the Rebate Amount.

(D) Fourth, the balance of any money not needed for the payments provided in (A), (B) and (C) above, shall be applied in the sole discretion of the University for:

1. Payment of the State Loan; or

2. Optional redemption or purchase of Bonds; or

3. Any lawful purpose of the University.

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

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

ARTICLE V
ADDITIONAL PARITY BONDS AND REFUNDING REQUIREMENTS

SECTION 5.01. ISSUANCE OF ADDITIONAL PARITY BONDS. The Division of Bond Finance is authorized to issue additional parity Bonds after the issuance of the 1993 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 additions or improvements to the Parking 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 cancelled.

(C) The Board of Regents shall authorize the issuance of such additional parity Bonds.

(D) The Board of Administration shall approve the fiscal sufficiency of such additional parity Bonds.

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

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

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

(F) The Board of Regents must be current in all deposits into the various funds and accounts and all payments theretofore required to have been deposited or made by it under the provisions of this Resolution and the Board of Regents must be currently in compliance with the covenants and provisions of this Resolution and any supplemental resolution hereafter adopted for the issuance of additional parity Bonds; unless upon the issuance of such additional parity Bonds the Board of Regents will be in compliance with all such covenants and provisions.

(G)(1) The average amount of Pledged Revenues for the two immediately preceding Fiscal Years adjusted as hereinafter provided, as certified by the Board of Regents or other appropriate State official pursuant to Section 5.01(E)(1), will be at least equal to one hundred twenty percent (120%) of the Maximum Annual Debt Service on (i) the Bonds then Outstanding, and (ii) the additional parity Bonds then proposed to be issued;

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

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

(b) If the Board of Regents or the University shall have acquired or has contracted to acquire any privately or publicly owned existing parking facility, then the average amount of Pledged Revenues derived from the Parking System during the two immediately preceding Fiscal Years prior to the issuance of said additional parity Bonds as certified by the Board of Regents or other appropriate State official, shall be increased by adding to the Pledged Revenues for said two preceding Fiscal Years the net revenues which would have been derived from the existing parking facility so acquired as if such existing parking facility had been a part of the Parking System during such two Fiscal Years. For the purposes of this paragraph, the revenues derived from said existing parking facility during such two preceding Fiscal Years shall be adjusted to determine such net revenues by deducting the cost of operation and maintenance of said existing parking facility from the gross revenues of said parking facility in the same manner provided in the Resolution for the determination of Pledged Revenues. The revenues from such facilities may also be adjusted for any increase in rates as though they had been in effect during all of such two preceding Fiscal Years.

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

SECTION 5.02. REFUNDING BONDS. All of the Bonds originally issued pursuant to this Resolution then Outstanding, together with all additional parity Bonds theretofore issued and then Outstanding, may be refunded as a whole or in part. This section shall not be construed as a limitation on the Division of Bond Finance's authority to issue refunding obligations that are junior to the Bonds or refunding Bonds for the purpose of refunding junior obligations. If the Annual Debt Service Requirement of the refunding Bonds in each Fiscal Year is equal to or less than the Annual Debt Service Requirement of the refunded Bonds, then the provisions of Section 5.01(G) of this Resolution shall not apply to the issuance of the refunding Bonds.

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

SECTION 5.04. COMPLETION BONDS. The Board of Regents and the Division of Bond Finance need not comply with Section 5.01 of this Resolution in the issuance of Completion Bonds, provided that the net proceeds of such Completion Bonds available for deposit into the 1993 Construction Fund for such costs shall be equal to or less than 20% of the original estimated cost of the 1993 Project at the time of the original issuance of the 1993 Bonds.

ARTICLE VI
COVENANTS

SECTION 6.01. PLEDGE OF PLEDGED REVENUES. The Board of Regents hereby covenants and agrees with the Holders of 1993 Bonds that, so long as any of the Bonds, or interest thereon, are Outstanding and unpaid, all of the Pledged Revenues provided for in this Resolution shall be pledged to the payment of the principal of and interest on the Bonds and the payment of Rebate Amounts, if any, in the manner provided in this Resolution and the Holders of the Bonds shall have a valid and enforceable senior lien on such Pledged Revenues in the manner provided herein.

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

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

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

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

(D) That it will continue to collect the fines, fees, rentals and other amounts charged all students, faculty members and tenants of the facilities of the Parking System.

SECTION 6.03. FEES, RENTALS OR OTHER CHARGES. (A) The Board of Regents covenants that it will fix, establish and collect such fees, rentals or other charges from students, faculty members and others using or being served by, or having the right to use, or having the right to be served by the Parking System, and revise the same from time to time whenever necessary, so that the Parking System Revenues shall be sufficient in each Fiscal Year to pay at least one hundred percent (100%) of an amount equal to the Current Expenses and Administrative Expenses, and so that the Pledged Revenues shall be sufficient in each Fiscal Year to pay at least one hundred percent (100%) of an amount equal to the Annual Debt Service Requirement for the Bonds and at least one hundred percent (100%) of all other payments required by the terms of this Resolution. To the extent Current Expenses and Administrative Expenses cause the Parking System Revenues to fall below the rate requirement of 100%, the University may transfer to the Revenue Fund an amount of up to 25% of the Annual Debt Service Requirement from excess Parking System Revenues from the prior Fiscal Year. For this purpose, such transfer of up to 25% shall be included in the Parking System Revenues for the current Fiscal Year.

(B) The Board of Regents will increase such fees, rentals or other charges as shall be necessary to comply with the provisions of subsection (A), provided that such increase will not result in a reduction of Parking System Revenues for the then current or any future Fiscal Year.

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

SECTION 6.04. NO FREE SERVICE. The Board will not render or cause to be rendered any free services of any nature by its Parking System, nor will any preferential rates be established for users of the same class except that the Board may continue those free services and preferential rates that were in effect in the Parking System prior to enactment of this Resolution. This includes free parking for the following:

1. State vehicles;

2. commercially marked vendor vehicles;

3. voluntary personnel and voluntary service organizations; and

4. visitors who qualify for special parking permits.

Additional free services or preferential rates may be established in addition to those outlined above, so long as, prior to the furnishing of such, the Director of Business Services of the University files a report with the Vice President for Administrative Affairs of the University stating that, in his opinion, such free services or preferential rates will not cause (and in fact such free services or professional rates do not cause) the revenues of the Parking System to be reduced so as to fail to comply with the rate covenant contained herein.

SECTION 6.05. 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 of the Board of Regents dated and delivered on the date of original issuance and delivery of each series of Bonds. Specifically, without intending to limit in any way the generality of the foregoing, the Division of Bond Finance and Board of Regents covenant and agree:

(i) to pay or cause to be paid to the United States of America from the Parking System Revenues and any other legally available funds, at the times required pursuant to Section 148(f) of the Code, the excess of the amount earned on all nonpurpose investments (as defined in Section 148(f)(6) of the Code) over the amount which would have been earned if such nonpurpose investments were invested at a rate equal to the yield on the Bonds, plus any income attributable to such excess (the "Rebate Amount");

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

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

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

(B) The Division of Bond Finance and Board of Regents covenant and agree that they shall maintain and retain or cause to be maintained and retained all records pertaining to and they shall be responsible for making and having made all determinations and calculations of the Rebate Amount for each Series of Bonds issued hereunder for each Rebate Year within thirty (30) 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 thirty (30) day period, the Board of Regents shall deposit or direct the Board of Administration to deposit into the Rebate Fund which is hereby created and established in the Board of Administration, from investment earnings or moneys deposited in the other funds and accounts created hereunder, or from any other legally available funds of the Board of Regents, an amount equal to the Rebate Amount for such Rebate Year. The Board of Administration shall use such moneys deposited in the Rebate Fund only for the payment of the Rebate Amount to the United States as required by subsection (A) of this section, and as directed by the Board of Regents, which payments shall be made in installments, commencing not more than thirty (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 and the Board of Regents may rely upon any instructions or opinions from a nationally recognized bond/tax counsel.

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

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

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

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

The Division of Bond Finance, the Board of Administration, and the Board of Regents shall not be required to continue to comply with the requirements of this section in the event that the Division of Bond Finance and the Board of Administration receive an opinion of nationally recognized bond/tax counsel that (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, or in the event that any other agency is subsequently designated by proper authority to comply with the requirements of this section.

SECTION 6.06. ANNUAL FINANCIAL STATEMENT. (A) Annually, within ninety days after the end of the Fiscal Year, the University will prepare a financial statement of the Parking System for the preceding Fiscal Year, reflecting in reasonable detail the financial condition and record of operation of the Parking System, and other Pledged Revenue sources, including particularly the University's enrollment, the degree of use and rates charged for the use of, and the insurance on, the Parking System and the status of the several accounts and funds established in this Resolution.

(B) Should the University fail to comply with subsection (A) of this section, upon request of at least 5% of the Bondholders an audit shall be completed by a certified public accountant or firm of certified public accountants. The cost of this audit shall be borne by the University.

ARTICLE VII
REMEDIES

SECTION 7.01. ENFORCEABILITY BY BONDHOLDERS. (A) 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 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, or instrumentality thereof having any duties concerning collection, administration and disposition of the Pledged Revenues. The Board of Regents does hereby consent to the bringing of any proceedings in any court of competent jurisdiction by any Holder or Holders of the Bonds for the enforcement of all provisions of this Resolution and does hereby waive, to the extent permitted by law, any privilege or immunity from suit which it may now or hereafter have as an agency of the State. However, no covenant or agreement contained in this Resolution or any Bond issued pursuant hereto shall be deemed to be the covenant or agreement of any officer or employee of the State in his or her or individual capacity, and neither the officers nor employees of the State nor any official executing any of the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

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

ARTICLE VIII
MISCELLANEOUS

SECTION 8.01. 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 Bondholders; provided, however, the Board of Regents may lease, from time to time, to other tenants such portion or portions of the Parking System as are not needed by the Board of Regents, to the extent that any such lease would not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

SECTION 8.02. MODIFICATION OR AMENDMENT. Except as otherwise provided in the second and third paragraph hereof, no material modification or amendment of this Resolution, or of any resolution amendatory thereof or supplemental thereto, may be made without the consent in writing of (i) the 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, as the same mature or become due, 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 and such Series of Bonds is then rated in as high a rating category as the rating category in which such Series of Bonds was rated at the time of initial issuance and delivery thereof by a Rating Agency, 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 defect, omission, conflict, or ambiguity in this Resolution or between the terms and provisions hereof and any other document executed or delivered herewith, (ii) to provide other changes including such changes as may be necessary in order to adjust the terms hereof so as to facilitate the issuance of various types of Bonds including, but not limited to, Capital Appreciation Bonds, and any other Bonds which may be issued hereunder, which will not adversely affect the interest of such Holder of Bonds, (iii) to provide for the issuance of Bonds in coupon form if, in the opinion of a nationally recognized bond/tax counsel, such issuance will not affect the exemption from federal income taxation of interest on the Bonds, (iv) to obtain credit enhancements or a higher rating in one of the three highest full rating categories of a Rating Agency, (v) to add to the covenants and agreements of the Division of Bond Finance or the Board of Regents in this Resolution, other covenants and agreements to be observed by the Division of Bond Finance or the Board of Regents which are not contrary to or inconsistent with this Resolution as theretofore in effect, (vi) to add to the limitations and restrictions in this Resolution, other limitations and restrictions to be observed by the Division of Bond Finance or the Board of Regents which are not contrary to or inconsistent with this Resolution as theretofore in effect, (vii) to permit the qualification hereof and thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect or to permit the qualifications of the Bonds for sale under the securities laws of any of the states of the United States of America, (viii) to enable the Division of Bond Finance and the Board of Regents to comply with their covenants, agreements and obligations under Section 6.05 hereof, (ix) to specify and determine any matters and things relative to the Bonds which are not contrary to or inconsistent with this Resolution and which shall not adversely affect the interests of the Bondholders, and (x) to amend or modify any provisions of this Resolution so long as such amendment or modification does not adversely affect the interests of the Bondholders.

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

SECTION 8.04. 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 and no Holder of the Bonds shall have the right to compel or require any appropriation by the Legislature of the State 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 11(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 8.05. 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 Holder thereof, all liability of the Board of Regents to the 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 Holder of such Bonds, who shall thereafter be restricted exclusively to such funds, for any claim of whatever nature on his part under this Resolution or on, or with respect to, said Bond. Any such funds held by the Board of Administration for the Holders of such Bonds for seven years after the principal or Accreted Value of the respective Bonds for which such funds have been so set aside has become due and payable and remaining (whether at maturity or upon redemption or otherwise) shall be subject to the laws of the State of Florida relating to disposition of unclaimed property, and unless demand for the payment of such Bonds shall have been made, the obligation thereon shall be extinguished.

SECTION 8.06. DEFEASANCE. The covenants, liens and pledges entered into, created or imposed pursuant to this Resolution may be fully discharged and satisfied with respect to the Bonds in any one or more of the following ways:

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

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

(C) By depositing with the Board of Administration, moneys which are irrevocably pledged to the payment of the Bonds and which, together with other moneys lawfully available therefor when invested in Defeasance Obligations, will provide moneys (principal and interest thereof at maturity) which shall be sufficient to pay the principal, redemption premium, if any, and interest due and to become due on said Bonds on or prior to a date fixed for redemption or the maturity date thereof. Upon such payment or deposit in the amount and manner provided in this section, the Bonds shall be deemed to be paid and shall no longer be deemed to be Outstanding for the purposes of this Resolution and all liability of the Board of Regents or Division of Bond Finance with respect to said Bonds shall cease, terminate and be completely discharged and extinguished, and the Holders thereof shall be entitled for payment solely out of the moneys or securities so deposited.

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

(E) If any portion of the moneys deposited for the payment of the principal of and redemption premium, if any, and interest on any portion of Bonds is not required for such purpose, the Board of Regents or the Board of Administration may use the amount of such excess free and clear of any trust, lien, security interest, pledge or assignment securing said Bonds or otherwise existing under this Resolution.

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

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

SECTION 8.08. BOND ANTICIPATION NOTES. Notwithstanding any other provision of this Resolution, if the Division of Bond Finance shall deem it advisable, short-term obligations (hereinafter "Notes") are hereby authorized to be issued by the Division of Bond Finance on behalf of the Board of Regents in anticipation of the sale and delivery of the 1993 Bonds. The Notes shall be payable from the proceeds received from the sale of the 1993 Bonds and, in the interim, from the Pledged Revenues. The Notes may be issued in such denomination or denominations, in the aggregate principal amount (not to exceed $21,000,000), in the form, may bear interest at the lawful rate or rates payable on such dates (not to exceed five (5) years from the date of issue) and may be subject to such conditions and terms as the Division of Bond Finance shall deem necessary or desirable in connection with such Notes, all as shall be provided by resolution of the Division of Bond Finance adopted at or before sale of the Notes, in accordance with Section 215.68(7), Florida Statutes.

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

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

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

SECTION 8.11. FISCAL AGENT. Upon sale and delivery of the 1993 Bonds by the Division of Bond Finance on behalf of the Board of Regents, the Board of Administration shall act as the fiscal agent for the Board of Regents with respect to the 1993 Bonds.

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

SECTION 8.13. VALIDATION AUTHORIZED. The attorneys for the Division of Bond Finance are hereby authorized to institute proceedings to validate the 1993 Bonds, pursuant to Chapter 75, Florida Statutes.

SECTION 8.14. REPEAL OF INCONSISTENT RESOLUTIONS. All resolutions and parts of resolutions heretofore adopted pertaining to the subject matter of this Resolution, to the extent that they are inconsistent with this Resolution, be and the same are hereby repealed, revoked, and rescinded, but only to the extent of any such inconsistencies.

SECTION 8.15. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

ADOPTED June 8, 1993.

APPENDIX C

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

**A RESOLUTION
(THE SECOND SUPPLEMENTAL RESOLUTION)
AUTHORIZING THE ISSUANCE OF NOT EXCEEDING
$23,000,000
STATE OF FLORIDA
BOARD OF GOVERNORS
UNIVERSITY OF FLORIDA
PARKING FACILITY REVENUE BONDS
SERIES 2007A**

June 12, 2007

A RESOLUTION (THE SECOND SUPPLEMENTAL RESOLUTION) AUTHORIZING THE ISSUANCE OF NOT EXCEEDING $23,000,000 STATE OF FLORIDA, BOARD OF GOVERNORS, UNIVERSITY OF FLORIDA PARKING FACILITY REVENUE BONDS, SERIES 2007A; CANCELING THE AUTHORITY FOR UNISSUED PREVIOUSLY AUTHORIZED BONDS; PROVIDING FOR CERTAIN COVENANTS IN CONNECTION WITH SAID ISSUANCE; 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:

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 the 2007A Bonds (as defined herein).

"**1993 Bonds**" means the State of Florida, Board of Regents, University of Florida Parking Facility Revenue Bonds, Series 1993.

"**1998 Bonds**" means the State of Florida, Board of Regents, University of Florida Parking Facility Revenue Refunding Bonds, Series 1998.

"2007A Bonds" means the State of Florida, Board of Governors, University of Florida Parking Facility Revenue Bonds, Series 2007A.

"**1993 Project**" means the parking improvements on the campus of University of Florida financed by the 1993 Bonds.

"**1998 Project**" means the parking improvements on the campus of University of Florida financed by the 1998 Bonds.

"2007A Project" means the construction and equipping of a parking facility, containing approximately 900 parking spaces and including approximately 9,000 square feet of space to be used by the University Traffic and Parking Office for administrative purposes, on the main campus of University of Florida, financed by the 2007A Bonds.

"**2007A Project Construction Fund"** means a trust fund held by the State Treasurer in which shall be deposited the net proceeds of the 2007A Bonds and other available moneys for the construction of the 2007A Project.

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

"Board of Governors" means the 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.

"Bonds" means the Outstanding Bonds, the 2007A Bonds, and any additional parity Bonds issued in accordance with Section 5.01 of the Original Resolution.

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

"Completion Bonds" means those Bonds issued pursuant to Section 5.04 of the Original Resolution to pay the cost of completing the 2007A Project.

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

"Original Resolution" means the resolution adopted on June 8, 1993 by the Governor and Cabinet as the Governing Board of the Division of Bond Finance authorizing the issuance of the Bonds, as amended and supplemented from time to time.

"Outstanding Bonds" means the Outstanding 1993 Bonds and 1998 Bonds.

"Parking System" means the facilities enumerated in the Original Resolution and the 2007A Project.

"Project Costs" means the actual costs of the 2007A Project, including costs of design and construction; materials, labor, furnishings, equipment and apparatus; sitework and landscaping; roadway and parking facilities; the acquisition of all lands or interests therein, and all other property, real or personal, appurtenant to or useful in the 2007A Project; interest on the 2007A Bonds for a reasonable period after the date of delivery thereof, if necessary; an amount sufficient to establish adequate reserves; architectonic and engineering fees; legal fees; reimbursement for prior authorized expenditures; and fees and expenses of the Division of Bond Finance, the Board of Administration, the University, or the Board of Governors necessary to the construction and placing in operation of the 2007A 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 that would have been earned if such nonpurpose investments were invested at a rate equal to the yield on the Bonds, plus any income attributable to such excess.

"Second Supplemental Resolution" means this supplemental resolution authorizing the issuance of the 2007A 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 Second Supplemental Resolution is adopted pursuant to the provisions of Article VII, Sections 11 (d) of the Florida Constitution; Sections 215.57-215.83, Florida Statutes (the State Bond Act); Section 1010.62, Florida Statutes; other applicable provisions of law; the Original Resolution; and any other applicable laws, and constitutes a resolution authorizing bonds pursuant to the State Bond Act.

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

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

(B) The construction of the 2007A Project at the University is necessary, desirable, and in the best interest of the University.

(C) The Board of Governors is expected to adopt a resolution at a meeting on June 14, 2007, requesting the Division of Bond Finance to take the necessary actions required for the issuance of the 2007A Bonds.

(D) Pursuant to the State Bond Act, the Division of Bond Finance is authorized to issue, on behalf of the Board of Governors, the 2007A Bonds to finance construction of a parking facility (Parking Garage Thirteen) on the main Campus of the University.

(E) The State at this time is without immediately available funds to make the capital outlay necessary for the construction of the 2007A Project.

(F) The 2007A Project shall be the construction of a parking structure substantially in accordance with the plans and specifications as may be approved by the Board of Governors from time to time.

(G) As required by Article VII, Section 11(f) of the Florida Constitution, the Florida Legislature has approved the 2007A Project pursuant to 1010.62(7), Florida Statutes.

(H) The principal of and interest on the 2007A 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 Second Supplemental Resolution.

(I) The 2007A Bonds will be secured on a parity as to the lien on the Pledged Revenues with the Outstanding Bonds, and with any additional parity Bonds, when and if issued.

(J) The 2007A Bonds shall not constitute, directly or indirectly, a debt or a charge against the State of Florida or any political subdivision thereof, but shall be revenue bonds within the meaning of Article VII, Section 11(d), Florida Constitution, and shall be payable solely from funds derived directly from sources other than state tax revenues.

(K) Pursuant to the statutes and constitutional provisions herein cited, including Sections 215.59, 215.64, and 215.79, Florida Statutes, the Division of Bond Finance is authorized to issue the 2007A Bonds, on behalf of, and in the name of the Board of Governors, subject to the terms, limitations and conditions contained in this Second Supplemental Resolution.

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

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

SECTION 1.04. RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the acceptance of the 2007A Bonds by the Registered Owners, the Original Resolution and this Second Supplemental Resolution shall be deemed to be and shall constitute a contract among the Division of Bond Finance, the Board of Governors, the University and such Registered Owners. The covenants and agreements to be performed by the Board of Governors and the University shall be for the equal benefit, protection, and security of the Registered Owners of any and all of the Outstanding Bonds and the 2007A Bonds, as defined herein, all of which shall be of equal rank and without preference, priority, or distinction as to any of such Bonds over any other thereof, except as expressly provided in the Original Resolution and this Second Supplemental Resolution.

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

SECTION 2.01 AUTHORIZATION OF THE 2007A BONDS. Subject and pursuant to the provisions of this Second Supplemental Resolution and the Original Resolution, fully registered revenue bonds of the Board of Governors to be known as "State of Florida, Board of Governors, University of Florida Parking Facility Revenue Bonds, Series 2007A" (or such other designation as may be determined by the Director), are hereby authorized to be issued by the Division of Bond Finance on behalf of the Board of Governors in an aggregate principal amount not exceeding $23,000,000, for the purpose of financing the construction, furnishing and equipping of the 2007A Project as described herein.

SECTION 2.02. APPLICABILITY OF ARTICLE II OF THE ORIGINAL RESOLUTION. The terms, description, negotiability, redemption, registration, transfer, authentication, disposition, replacement, and issuance of the 2007A Bonds shall be governed by the provisions of Article II of the Original Resolution, adjusted to the extent necessary to apply to the 2007A Bonds, except as otherwise provided in this Second Supplemental Resolution. The form of the 2007A Bonds shall be governed by this Second Supplemental Resolution. The text of the 2007A Bonds may contain such provisions, specifications and descriptive words not inconsistent with the provisions of this Second Supplemental Resolution as may be necessary or desirable to comply with custom, the rules of any securities exchange or commission or brokerage board, or otherwise, or to comply with applicable laws, rules and regulations of the United States and the State, all as may be determined by the Director prior to the delivery thereof.

SECTION 2.03. EXECUTION OF THE 2007A BONDS. The 2007A 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 2007A 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 2007A 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 2007A Bonds shall cease to be such officer of the Board of Governors before the 2007A Bonds so signed and sealed shall have been actually sold and delivered, the 2007A Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such 2007A Bonds had not ceased to hold such office. Any 2007A 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 2007A Bond shall hold the proper office, although at the date of such 2007A 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 2007A 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 2007A BONDS.

(A) Notwithstanding anything to the contrary in the Original Resolution or this Second Supplemental Resolution, or any other resolution relating to the 2007A Bonds (for the purposes of this section, collectively, the "Resolution"), the 2007A 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 2007A 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 2007A Bonds are issued in book-entry only form:

(1) The 2007A Bonds shall be issued in the name of the Securities Depository as Registered Owner of the 2007A Bonds, and held in the custody of the Securities Depository or its designee.

(2) Transfers of beneficial ownership of the 2007A 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 2007A Bonds. Beneficial ownership interests in the 2007A 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 2007A 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 2007A Bonds. Transfers of ownership interests in the 2007A 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, 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 2007A Bonds registered in its name for the purposes of

(a) payment of the principal of, premium, if any, and interest on the 2007A 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's 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 2007A Bonds; and

(ii) a certificate of any such Participant as to the identity of, and the respective principal amount of 2007A 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 bond register maintained by the Bond Registrar and Paying Agent, 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 2007A 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 2007A 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 2007A 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 2007A Bonds to produce the same effect. Any provision hereof permitting or requiring delivery of the 2007A Bonds shall, while the 2007A 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 2007A Bonds in the form of fully registered bonds to each Beneficial Owner.

ARTICLE III
APPLICATION OF PROCEEDS

SECTION 3.01 CONSTRUCTION OF THE 2007A PROJECT. The Board of Governors is authorized to construct the 2007A Project from the proceeds of the sale of the 2007A Bonds and other legally available funds, subject to the provisions of this Second Supplemental Resolution and applicable laws of Florida.

SECTION 3.02. APPLICATION OF 2007A BOND PROCEEDS. Upon receipt of the proceeds of the sale of the 2007A Bonds, the Division of Bond Finance shall transfer and apply such proceeds as follows:

(A) The amount necessary to pay all costs and expenses of the Division of Bond Finance in connection with the preparation, issuance, and sale of the 2007A Bonds, including a reasonable charge for the services of the Division of Bond Finance for its fiscal services and for arbitrage rebate compliance program set-up, shall be transferred to the Division of Bond Finance and deposited in the Bond Fee Trust Fund.

(B) Any accrued interest on the 2007A Bonds shall be transferred to the Board of Administration and deposited in the Sinking Fund, and used for the payment of interest on the 2007A Bonds.

(C) An amount necessary to fund the incremental increase in the Reserve Requirement attributable to the 2007A 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 of Bond Finance, as provided in Section 4.02 of the Original Resolution, may elect at any time to provide in lieu of all or a portion of such funds a Reserve Account Credit Facility in an amount equal to the difference between the Reserve Requirement and the sums then on deposit in the Reserve Account.

(D) After making the transfers provided for in (A) through (C) above, the balance of the proceeds of the 2007A Bonds shall be transferred to and deposited into the 2007A Project Construction Fund, which is hereby created in the State Treasury.

(E) Any balance of the proceeds of the 2007A 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.

Any unexpended balance remaining in the 2007A Project Construction Fund, after a consulting architect shall certify that the 2007A Project has been completed and all costs thereof paid or payment provided for, shall be deposited in the Sinking Fund.

All moneys in said 2007A Project Construction Fund shall constitute a trust fund for such purposes and there is hereby created lien upon such funds in favor of the Registered Owners of the 2007A Bonds issued pursuant to this Second Supplemental Resolution, until such funds are applied as provided herein, except to the extent such moneys are required for the payment of any Rebate Amount, and all moneys in such funds shall be continuously secured in the manner now provided by the laws of the State for securing deposits of state funds.

SECTION 3.03. INVESTMENT OF THE 2007A PROJECT CONSTRUCTION FUND. Any moneys in the 2007A Project Construction Fund not immediately needed for the purposes provided in this Second Supplemental Resolution, may be temporarily invested and reinvested as provided in Section 17.57, Florida Statutes.

ARTICLE IV
SECURITY FOR THE 2007A BONDS

SECTION 4.01. 2007A BONDS ON A PARITY WITH THE OUTSTANDING BONDS. The 2007A Bonds shall be payable on a parity and rank equally as to lien on and source and security for payment from the Pledged Revenues and in all other respects, with the Outstanding Bonds.

SECTION 4.02. BONDS SECURED BY ORIGINAL RESOLUTION. The 2007A 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 2007A Bonds as fully and to the same extent as the Registered Owners of the Outstanding Bonds.

All of the covenants, agreements, and provisions of the Original Resolution except to the extent inconsistent herewith, shall be deemed to be part of this Second Supplemental Resolution to the same extent as if incorporated verbatim in this Second Supplemental Resolution, and shall be fully enforceable in the manner provided in the Original Resolution by any of the Registered Owners of the 2007A Bonds.

SECTION 4.03. COMPLETION BONDS. The Board of Governors and the Division of Bond Finance need not comply with Section 5.01 of the Original Resolution in the issuance of Completion Bonds, provided that the net proceeds of such Completion Bonds available for deposit into the 2007A Project Construction Fund for such costs shall be equal to or less than 20% of the original estimated cost of the 2007A Project at the time of the original issuance of the 2007A Bonds.

ARTICLE V
MISCELLANEOUS AND AMENDMENT OF ORIGINAL RESOLUTION

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

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

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

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

SECTION 5.04. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants or provisions of this Second Supplemental Resolution shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants or provisions shall be null and void and shall be deemed separable from the remaining covenants or provisions of this Second Supplemental Resolution or of the 2007A Bonds and shall in no way affect the validity or enforceability of any other covenants, agreements or provisions of this Second Supplemental Resolution or of the 2007A Bonds issued hereunder.

SECTION 5.05. FISCAL AGENT. Upon the sale and delivery of the 2007A Bonds by the Division of Bond Finance on behalf of the Board of Governors, the Board of Administration shall act as the fiscal agent for the Board of Governors with respect to the 2007A Bonds.

SECTION 5.06. REPEAL OF INCONSISTENT RESOLUTIONS. All resolutions and parts of resolutions heretofore adopted pertaining to the subject matter of this Second Supplemental Resolution, to the extent that they are inconsistent with this Second Supplemental Resolution, be and the same are hereby repealed, revoked, and rescinded, but only to the extent of any such inconsistencies. The authority for the issuance and delivery of the unissued portion of any previously authorized University of Florida Parking Facility Revenue Bonds is hereby canceled.

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

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

SECTION 5.09. VALIDATION AUTHORIZED. The attorneys for the Division of Bond Finance are hereby authorized to institute proceedings to validate the 2007A Bonds pursuant to Chapter 75, Florida Statutes, if validation is deemed to be necessary or desirable by the Division.

SECTION 5.10. AMENDMENT OF ORIGINAL RESOLUTION. The Original Resolution is amended as follows. Language to be added to the Original Resolution is indicated by underlining, and language to be deleted from the Original Resolution is indicated by ~~strike-throughs~~.

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

> SECTION 1.01. DEFINITIONS. The following terms shall have the following meanings in this Resolution unless the text otherwise requires:
>
> . . .
>
> (G) "Board of Governors ~~Regents~~" or "Board" shall mean ~~the Board of Regents of the Division of Universities of the State of Florida Department of Education, as created pursuant to the provisions of Chapter 240, Florida Statutes~~ the Board of Governors created by Article IX, Section 7 of the Florida Constitution, and includes any other entity succeeding to the powers thereof.

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

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

ADOPTED on June 12, 2007.

A RESOLUTION OF THE DIVISION OF BOND FINANCE OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA AMENDING A RESOLUTION ADOPTED ON JUNE 8, 1993, ENTITLED "A RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $21,000,000 STATE OF FLORIDA, BOARD OF REGENTS, UNIVERSITY OF FLORIDA PARKING FACILITY REVENUE BONDS, SERIES 1993, TO FINANCE THE CONSTRUCTION OF PARKING FACILITIES AT THE UNIVERSITY OF FLORIDA; AUTHORIZING THE REFUNDING OF CERTAIN OUTSTANDING UNIVERSITY OF FLORIDA REVENUE BONDS; PROVIDING FOR CERTAIN COVENANTS IN CONNECTION THEREWITH AND PROVIDING FOR AN EFFECTIVE DATE" (THE "ORIGINAL RESOLUTION"); AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, on June 8, 1993, the Governing Board of the Division of Bond Finance (the "Governing Board") adopted a resolution authorizing the issuance of State of Florida, Board of Regents, University of Florida Parking Facility Revenue Bonds, Series 1993, in an amount not exceeding $21,000,000 (the "Original Resolution"), which resolution was amended and supplemented on June 8, 1998, and on June 12, 2007; and

WHEREAS, further amendments are required to be made to the Original Resolution;

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

SECTION 1. DEFINITIONS. Any capitalized terms not defined in this resolution shall have the same meaning as in the Original Resolution, as amended and supplemented through the date of this resolution.

SECTION 2. AMENDMENT OF ORIGINAL RESOLUTION. The Original Resolution is amended as follows. Language to be added to the Original Resolution is indicated by <u>underlining</u>, and language to be deleted from the Original Resolution is indicated by ~~strike- throughs~~.

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

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

. . .

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

. . .

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

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

SECTION 7.01 ENFORCEABILITY BY REGISTERED OWNERS.

. . .

(C) For purposes of exercising remedies pursuant to this section, the issuer of a Bond Insurance Policy for Bonds issued after January 29, 1999, shall be deemed the sole Registered Owner, provided that the issuer of such Bond Insurance Policy has not failed to comply with its payment obligations under the Bond Insurance Policy and the ratings on the insured Bonds, based on the Bond Insurance Policy, are no lower than the "A" category by each Rating Agency which has rated such Bonds, including any rating modifiers.

(C) Section 8.06 of the Original Resolution is amended by adding Subsection (G) thereto as follows:

(G) Notwithstanding the foregoing, the covenants, liens and pledges entered into, created or imposed pursuant to this Resolution shall not be discharged and satisfied with respect to any of the Bonds with respect to which debt service has been paid pursuant to a Bond Insurance Policy, to the extent that the amount so paid has not been reimbursed to the issuer of such Bond Insurance Policy (or monies have not been deposited as set forth above to provide for payment of such amounts). The bond insurer shall be subrogated to the rights of the Registered Owner of Bonds with respect to which it has made payments pursuant to a Bond Insurance Policy.

SECTION 3. The Original Resolution, as amended and supplemented through the date of this resolution, is in all respects ratified and confirmed.

SECTION 4. This resolution shall take effect immediately.

ADOPTED on September 19, 2007.

APPENDIX E

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

A RESOLUTION
(THE THIRD SUPPLEMENTAL RESOLUTION)
AUTHORIZING THE ISSUANCE OF NOT EXCEEDING
$37,200,000
STATE OF FLORIDA
BOARD OF GOVERNORS
UNIVERSITY OF FLORIDA
PARKING FACILITY REVENUE BONDS
SERIES 2017A

March 14, 2017

A RESOLUTION (THE THIRD SUPPLEMENTAL RESOLUTION) AUTHORIZING THE ISSUANCE OF NOT EXCEEDING $37,200,000 STATE OF FLORIDA, BOARD OF GOVERNORS, UNIVERSITY OF FLORIDA PARKING FACILITY REVENUE BONDS, SERIES 2017A; CANCELING THE AUTHORITY FOR UNISSUED PREVIOUSLY AUTHORIZED BONDS; PROVIDING FOR CERTAIN COVENANTS IN CONNECTION WITH SAID ISSUANCE; AUTHORIZING THE REDEMPTION OF THE STATE OF FLORIDA, BOARD OF REGENTS, UNIVERSITY OF FLORIDA PARKING FACILITY REVENUE BONDS, SERIES 1998; 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:

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 the 2017A Bonds (as defined herein).

"**1998 Bonds**" means the State of Florida, Board of Regents, University of Florida Parking Facility Revenue Bonds, Series 1998.

"2007A Bonds" means the State of Florida, Board of Governors, University of Florida Parking Facility Revenue Bonds, Series 2007A.

"2017A Bonds" means the State of Florida, Board of Governors, University of Florida Parking Facility Revenue Bonds, Series 2017A.

"2017A Project" means the construction and equipping of a parking facility containing approximately 1520 parking spaces on the main campus of University of Florida, to be financed by the 2017A Bonds.

"**2017A Project Construction Fund"** means a trust fund held by the State Treasurer in which shall be deposited the net proceeds of the 2017A Bonds and other available moneys for the construction of the 2017A Project.

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

"Board of Governors" means the 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.

"Bonds" means the Outstanding Bonds, the 2017A Bonds, and any additional parity Bonds issued in accordance with Section 5.01 of the Original Resolution.

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

"Completion Bonds" means those Bonds issued pursuant to Section 5.04 of the Original Resolution to pay the cost of completing the 2017A Project.

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

“Original Resolution” means the resolution adopted on June 8, 1993 by the Governor and Cabinet as the Governing Board of the Division of Bond Finance authorizing the issuance of the Bonds, as amended and supplemented from time to time.

“Outstanding Bonds” means the Outstanding 1998 Bonds and the Outstanding 2007A Bonds.

“Parking System” shall mean (i) the University’s existing parking facilities located in Gainesville, Florida on the main campus of the University; (2) such additional parking facilities as at some future date may be added to the Parking System.

“Project Costs” means the actual costs of the 2017A Project, including costs of design and construction; materials, labor, furnishings, equipment and apparatus; sitework and landscaping; roadway and parking facilities; the acquisition of all lands or interests therein, and all other property, real or personal, appurtenant to or useful in the 2017A Project; interest on the 2017A Bonds for a reasonable period after the date of delivery thereof, if necessary; an amount sufficient to establish adequate reserves; architectonic and engineering fees; legal fees; reimbursement for prior authorized expenditures; and fees and expenses of the Division of Bond Finance, the Board of Administration, the University, or the Board of Governors necessary to the construction and placing in operation of the 2017A 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 that 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.

“Third Supplemental Resolution” means this supplemental resolution authorizing the issuance of the 2017A Bonds.

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

SECTION 1.02. AUTHORITY FOR THIS RESOLUTION. This Third Supplemental Resolution is adopted pursuant to the provisions of Article VII, Sections 11 (d) of the Florida Constitution; Sections 215.57-215.83, Florida Statutes (the State Bond Act); Section 1010.62, Florida Statutes; other applicable provisions of law; the Original Resolution; and any other applicable laws, and constitutes a resolution authorizing bonds pursuant to the State Bond Act.

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

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

(B) The construction of the 2017A Project at the University is necessary, desirable, and in the best interest of the University.

(C) The Board of Governors has adopted a resolution at a meeting on January 26, 2017, requesting the Division of Bond Finance to take the necessary actions required for the issuance of the 2017A Bonds.

(D) Pursuant to the State Bond Act, the Division of Bond Finance is authorized to issue, on behalf of the Board of Governors, the 2017A Bonds to finance construction of a parking facility on the main Campus of the University.

(E) The State at this time is without immediately available funds to make the capital outlay necessary for the construction of the 2017A Project.

(F) The 2017A Project shall be the construction of a parking structure substantially in accordance with the plans and specifications as may be approved by the Board of Governors from time to time.

(G) As required by Article VII, Section 11(f) of the Florida Constitution, the Florida Legislature has approved the 2017A Project pursuant to 1010.62(7), Florida Statutes.

(H) The principal of and interest on the 2017A Bonds and all of the reserve, sinking fund and other payments provided for herein, will be payable solely from the Pledged Revenues accruing to and to be received by the Board of Governors or the University in the manner provided by the Original Resolution and this Third Supplemental Resolution.

(I) The 2017A Bonds will be secured on a parity as to the lien on the Pledged Revenues with the Outstanding Bonds, and with any additional parity Bonds, when and if issued.

(J) The 2017A Bonds shall not constitute, directly or indirectly, a debt or a charge against the State of Florida or any political subdivision thereof, but shall be revenue bonds within the meaning of Article VII, Section 11(d), Florida Constitution, and shall be payable solely from funds derived directly from sources other than state tax revenues.

(K) Pursuant to the statutes and constitutional provisions herein cited, including Sections 215.59, 215.64, and 215.79, Florida Statutes, the Division of Bond Finance is authorized to issue the 2017A Bonds, on behalf of, and in the name of the Board of Governors, subject to the terms, limitations and conditions contained in this Third Supplemental Resolution.

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

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

SECTION 1.04. RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the acceptance of the 2017A Bonds by the Registered Owners, the Original Resolution and this Third Supplemental Resolution shall be deemed to be and shall constitute a contract among the Division of Bond Finance, the Board of Governors, the University and such Registered Owners. The covenants and agreements to be performed by the Board of Governors and the University shall be for the equal benefit, protection, and security of the Registered Owners of any and all of the Outstanding Bonds and the 2017A Bonds, as defined herein, all of which shall be of equal rank and without preference, priority, or distinction as to any of such Bonds over any other thereof, except as expressly provided in the Original Resolution and this Third Supplemental Resolution.

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

SECTION 2.01 AUTHORIZATION OF THE 2017A BONDS. Subject and pursuant to the provisions of this Third Supplemental Resolution and the Original Resolution, fully registered revenue bonds of the Board of Governors to be known as "State of Florida, Board of Governors, University of Florida Parking Facility Revenue Bonds, Series 2017A" (or such other designation as may be determined by the Director), are hereby authorized to be issued by the Division of Bond Finance on behalf of the Board of Governors in an aggregate principal amount not exceeding $37,200,000, for the purpose of financing the construction, furnishing and equipping of the 2017A Project as described herein.

SECTION 2.02. APPLICABILITY OF ARTICLE II OF THE ORIGINAL RESOLUTION. The terms, description, negotiability, redemption, registration, transfer, authentication, disposition, replacement, and issuance of the 2017A Bonds shall be governed by the provisions of Article II of the Original Resolution, adjusted to the extent necessary to apply to the 2017A Bonds, except as otherwise provided in this Third Supplemental Resolution. The form of the 2017A Bonds shall be governed by this Third Supplemental Resolution. The text of the 2017A Bonds may contain such provisions, specifications and descriptive words not inconsistent with the provisions of this Third Supplemental Resolution as may be necessary or desirable to comply with custom, the rules of any securities exchange or commission or brokerage board, or otherwise, or to comply with applicable laws, rules and regulations of the United States and the State, all as may be determined by the Director prior to the delivery thereof.

SECTION 2.03. EXECUTION OF THE 2017A BONDS. The 2017A 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 2017A 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 2017A 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 2017A Bonds shall cease to be such officer of the Board of Governors before the 2017A Bonds so signed and sealed shall have been actually sold and delivered, the 2017A Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such 2017A Bonds had not ceased to hold such office. Any 2017A 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 2017A Bond shall hold the proper office, although at the date of such 2017A 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 2017A 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 2017A BONDS.

(A) Notwithstanding anything to the contrary in the Original Resolution or this Third Supplemental Resolution, or any other resolution relating to the 2017A Bonds (for the purposes of this section, collectively, the "Resolution"), the 2017A 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 2017A 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 2017A Bonds are issued in book-entry only form:

(1) The 2017A Bonds shall be issued in the name of the Securities Depository as Registered Owner of the 2017A Bonds, and held in the custody of the Securities Depository or its designee.

(2) Transfers of beneficial ownership of the 2017A 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 2017A Bonds. Beneficial ownership interests in the 2017A 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 2017A 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 2017A Bonds. Transfers of ownership interests in the 2017A 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, 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 2017A Bonds registered in its name for the purposes of

(a) payment of the principal of, premium, if any, and interest on the 2017A 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's 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 2017A Bonds; and

(ii) a certificate of any such Participant as to the identity of, and the respective principal amount of 2017A 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 bond register maintained by the Bond Registrar and Paying Agent, 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 2017A 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 2017A 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 2017A 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 2017A Bonds to produce the same effect. Any provision hereof permitting or requiring delivery of the 2017A Bonds shall, while the 2017A 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 2017A Bonds in the form of fully registered bonds to each Beneficial Owner.

ARTICLE III APPLICATION OF PROCEEDS

SECTION 3.01 CONSTRUCTION OF THE 2017A Project. The Board of Governors is authorized to construct the 2017A Project from the proceeds of the sale of the 2017A Bonds and other legally available funds, subject to the provisions of this Third Supplemental Resolution and applicable laws of Florida.

SECTION 3.02. APPLICATION OF 2017A BOND PROCEEDS. Upon receipt of the proceeds of the sale of the 2017A Bonds, the Division of Bond Finance shall transfer and apply such proceeds as follows:

(A) The amount necessary to pay all costs and expenses of the Division of Bond Finance in connection with the preparation, issuance, and sale of the 2017A Bonds, including a reasonable charge for the services of the Division of Bond Finance for its fiscal services and for arbitrage rebate compliance program set-up, shall be transferred to the Division of Bond Finance and deposited in the Bond Fee Trust Fund.

(B) Any accrued interest on the 2017A Bonds shall be transferred to the Board of Administration and deposited in the Sinking Fund, and used for the payment of interest on the 2017A Bonds.

(C) An amount necessary to fund the incremental increase in the Reserve Requirement, if any, attributable to the 2017A 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 of Bond Finance, as provided in Section 4.02 of the Original Resolution, may elect at any time to provide in lieu of all or a portion of such funds a Reserve Account Credit Facility in an amount equal to the difference between the Reserve Requirement and the sums then on deposit in the Reserve Account.

(D) After making the transfers provided for in (A) through (C) above, the balance of the proceeds of the 2017A Bonds shall be transferred to and deposited into the 2017A Project Construction Fund, which is hereby created in the State Treasury.

(E) Any balance of the proceeds of the 2017A 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.

Any unexpended balance remaining in the 2017A Project Construction Fund, after a consulting architect shall certify that the 2017A Project has been completed and all costs thereof paid or payment provided for, shall be deposited in the Sinking Fund.

All moneys in said 2017A Project Construction Fund shall constitute a trust fund for such purposes and there is hereby created lien upon such funds in favor of the Registered Owners of the 2017A Bonds issued pursuant to this Third Supplemental Resolution, until such funds are applied as provided herein, except to the extent such moneys are required for the payment of any Rebate Amount, and all moneys in such funds shall be continuously secured in the manner now provided by the laws of the State for securing deposits of state funds.

SECTION 3.03. INVESTMENT OF THE 2017A PROJECT CONSTRUCTION FUND. Any moneys in the 2017A Project Construction Fund not immediately needed for the purposes provided in this Third Supplemental Resolution, may be temporarily invested and reinvested as provided in Section 17.57, Florida Statutes.

ARTICLE IV
SECURITY FOR THE 2017A BONDS

SECTION 4.01. 2017A BONDS ON A PARITY WITH THE OUTSTANDING BONDS. The 2017A Bonds shall be payable on a parity and rank equally as to lien on and source and security for payment from the Pledged Revenues and in all other respects, with the Outstanding Bonds.

SECTION 4.02. BONDS SECURED BY ORIGINAL RESOLUTION. The 2017A 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 2017A 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 Third Supplemental Resolution to the same extent as if incorporated verbatim in this Third Supplemental Resolution, and shall be fully enforceable in the manner provided in the Original Resolution by any of the Registered Owners of the 2017A Bonds.

SECTION 4.03. COMPLETION BONDS. The Board of Governors and the Division of Bond Finance need not comply with Section 5.01 of the Original Resolution in the issuance of Completion Bonds, provided that the net proceeds of such Completion Bonds available for deposit into the 2017A Project Construction Fund for such costs shall be equal to or less than 20% of the original estimated cost of the 2017A Project at the time of the original issuance of the 2017A Bonds.

ARTICLE V
MISCELLANEOUS

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

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

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

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

SECTION 5.04. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants or provisions of this Third Supplemental Resolution shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants or provisions shall be null and void and shall be deemed separable from the remaining covenants or provisions of this Third Supplemental Resolution or of the 2017A Bonds and shall in no way affect the validity or enforceability of any other covenants, agreements or provisions of this Third Supplemental Resolution or of the 2017A Bonds issued hereunder.

SECTION 5.05. FISCAL AGENT. Upon the sale and delivery of the 2017A Bonds by the Division of Bond Finance on behalf of the Board of Governors, the Board of Administration shall act as the fiscal agent for the Board of Governors with respect to the 2017A Bonds.

SECTION 5.06. REPEAL OF INCONSISTENT RESOLUTIONS. All resolutions and parts of resolutions heretofore adopted pertaining to the subject matter of this Third Supplemental Resolution, to the extent that they are inconsistent with this Third Supplemental Resolution, be and the same are hereby repealed, revoked, and rescinded, but only to the extent of any such inconsistencies. The authority for the issuance and delivery of the unissued portion of any previously authorized University of Florida Parking Facility Revenue Bonds is hereby canceled.

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

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

SECTION 5.09. VALIDATION AUTHORIZED. The attorneys for the Division of Bond Finance are hereby authorized to institute proceedings to validate the 2017A Bonds pursuant to Chapter 75, Florida Statutes, if validation is deemed to be necessary or desirable by the Division.

SECTION 5.10. REDEMPTION OF SERIES 1998 BONDS. The State of Florida, Board of Regents, University of Florida Parking Facility Revenue Bonds, Series 1998, are hereby authorized to be redeemed by the Division of Bond Finance with cash provided by University.

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

ADOPTED on March 14, 2017.

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APPENDIX F

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

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

March 14, 2017

A RESOLUTION (THE FOURTH SUPPLEMENTAL RESOLUTION) AUTHORIZING THE ISSUANCE AND SALE OF STATE OF FLORIDA, BOARD OF GOVERNORS, UNIVERSITY OF FLORIDA PARKING FACILITY 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).

"**1998 Bonds**" means the State of Florida, Board of Regents, University of Florida Parking Facility Revenue Bonds, Series 1998.

"2007A Bonds" means the outstanding State of Florida, Board of Governors, University of Florida Parking Facility Revenue Bonds, Series 2007A.

"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.

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

"Original Resolution" means the resolution adopted on June 8, 1993 by the Governor and Cabinet as the Governing Board of the Division of Bond Finance authorizing the issuance of the Bonds, as amended and supplemented from time to time.

"Outstanding Bonds" means the Outstanding 1998 Bonds and the Outstanding 2007A Bonds.

"Parking System" shall mean (i) the University's existing parking facilities located in Gainesville, Florida on the main campus of the University; (2) such additional parking facilities as at some future date may be added to the Parking System.

"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.

"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 2007A Bonds to be refunded by the Refunding Bonds.

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

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

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

SECTION 1.02. AUTHORITY FOR THIS RESOLUTION. This 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 Parking Facility 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 $13,200,000 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 Parking Facility 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 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 4.02(B) of the Original Resolution. Amounts on deposit in the Reserve Account may be commingled with the amounts deposited for Bonds of additional Series which are secured thereby, shall be held for the benefit of the Registered Owners of only such Bonds as may be specifically secured by the Reserve Account, and shall be applied in the manner provided in the Original Resolution.

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

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

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

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

SECTION 5.04. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants or provisions of this 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.

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 55,000 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 and 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 55,000 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.

With the establishment of individual University Boards of Trustees in 2003, the universities are no longer state agencies, but rather are autonomous state-supported public corporations with greater fiscal autonomy and financial control for instance.

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. However, 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.

The Legislature has proposed an amendment to the Florida Constitution which, if approved by the voters, would require a two-thirds vote of each house of the Legislature to adopt legislation authorizing a new state tax or fee or raising any state tax or fee. If approved by 60% of the voters in a state-wide election this fall, the amendment will take effect on January 8, 2019. If approved by the voters, an increase in undergraduate in-state tuition would require legislative action which would require a two-thirds vote of each chamber of the Legislature for approval.

Bonding Authority. Bond-issuing authority is retained by the State of Florida Division of Bond Finance; the University can borrow through affiliated foundations and direct support organizations outside the Division of Bond Finance. The Board of Governors is authorized to request the issuance of revenue bonds to finance or refinance capital outlay projects permitted by law.

Buildings and Other Capital Facilities

The 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 Joseph Hernandez Hall Chemistry/Chemical Biology Building, Newell Hall renovations, and the redesign of the Exactech Arena at the Stephen O'Connell Center. The University continues construction on several major projects including Phase II of Innovation Hub, the addition and renovation of the Career Resource Center, a new IFAS Bee Unit Facility, and the Herbert Wertheim Laboratory for Engineering Excellence (NEXUS).

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 Exactech Arena at the Stephen C. O'Connell Center and the J. Wayne Reitz Union provide space for a myriad of student and faculty activities. 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. 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. The table below shows Capital Improvement Projects over $2,000,000 that are currently in progress.

Capital Improvement Projects
in Progress at June 30, 2018

Project	Total Commitment	Completed To Date	Balance Committed
Data Science & Information Technology Building	$118,500,000	$172	$118,499,828
NEXUS Engineering Addition	62,217,568	12,670,395	49,547,173
Norman Hall Rehabilitation and College of Ed Center	29,791,952	3,992,241	25,799,710
Career Resource Center Addition and Renovation	9,916,183	7,289,109	2,627,074
Rabon Steam Boiler Design/Installation	8,816,922	7,529,174	1,287,748
Central Energy Plan & Utilities Infrastructure	7,783,000	1,908,508	5,874,492
UF Veterinary Hospital and CVM Expansion	6,154,450	530,119	5,624,331
IBC and IHLC New Facility	6,017,943	629,875	5,388,068
Museum Rd Utility Infrastructure Replacement	6,200,001	107,450	6,092,551
Electrical Substation 2 - Cable and Switchgear Replacement	5,410,000	364,834	5,045,166
Vet Med Plant ESCO	5,008,030	2,254,262	2,753,768
IFAS Lone Cabbage Reef Restoration	3,894,140	15,227	3,878,913
Wilmot Gardens – Memorial Structure	3,236,290	36,290	3,200,000
UF IT Move to Ayers Building	2,994,778	1,832,986	1,161,793
Microfabritech East & West Renovation	2,660,161	0	2,660,161
Band Practice Field Upgrade	2,700,000	105,980	2,594,020
J. Wayne Reitz Auditorium Renovation	2,382,597	34,405	2,348,192
Animal Science Bldg – Replace AHU/HVAC	2,099,063	852,775	1,246,288
Turlington Hall HVAC and HHW Design	2,077,056	1,307,026	770,030
Whitney Laboratory Academic Village Housing Facilities	2,062,000	732,589	1,329,411
Manure Management System	2,025,000	1,783,898	241,102
Total	**$291,947,134**	**$43,977,315**	**$247,969,819**

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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	2019-20	2020-21	2021-22	2022-23	2023-24	Total Requested
1	Utilities / Infrastructure Improvements	$36,382,516	$32,611,733	$29,348,119	$34,380,962	$30,348,120	$163,071,450
2	Data Science and Information Technology Building	50,000,000					50,000,000
3	New Music Building	7,400,000	12,550,000	12,550,000			32,500,000
4	Dental Science Building	5,000,000					5,000,000
5	Architecture Building	5,000,000					5,000,000
6	Whitney Center for Marine Animal Health			14,000,000			14,000,000
7	Public Safety Building & Emergency Management Center Renovations	5,000,000	15,000,000				20,000,000
8	FL Natural History Museum Earth Systems Addition			17,000,000			17,000,000
9	UF Central Energy Plant				50,000,000	50,000,000	100,000,000
	Total	**$108,782,516**	**$60,161,733**	**$72,898,119**	**$84,380,962**	**$80,348,120**	**$406,571,450**

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 Fiscal Years.

Operating Budget

Budget Entity	2014-15	2015-16	2016-17	2017-18
Educational and General	$967,463,917	$996,758,186	$1,027,809,648	$1,046,633,848
Auxiliary Enterprises	435,154,179	451,782,604	493,075,225	504,293,116
Contracts and Grants	860,368,095	945,701,386	935,794,925	949,423,455
Student Activities	17,462,827	16,350,492	20,069,412	19,308,580
Concessions	989,992	994,792	988,792	968,743
Intercollegiate Athletics	106,214,976	117,023,115	119,132,023	129,938,272
Student Financial Aid	452,033,822	466,597,825	467,399,061	474,939,901
Self-Insurance Program	23,659,367	18,054,900	17,331,493	25,093,577
Technology Fee	9,066,630	9,676,536	6,826,553	8,897,067
Faculty Practice Plans	610,514,562	865,829,541	863,657,421	947,482,633
Total	**$3,482,928,367**	**$3,888,769,377**	**$3,952,084,553**	**$4,106,979,192**

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	2013-14	2014-15	2015-16	2016-17
State Appropriations	23.37%	22.40%	24.03%	23.85%
Student Tuition and Fees	13.83%	13.10%	14.64%	14.46%
Federal and State Student Financial Aid	4.51%	4.03%	4.13%	3.92%
Federal Contracts and Grants	14.13%	13.47%	14.54%	14.49%
State and Local Contracts and Grants	1.72%	1.55%	1.66%	1.68%
Capital Appropriations and Other	2.37%	3.00%	2.25%	2.78%
Noncapital Grants, Contracts and Gifts	3.16%	9.12%	9.62%	3.91%
Nongovernmental Contracts and Grants	27.18%	25.92%	22.23%	26.56%
Auxiliary Enterprises	5.01%	4.39%	4.49%	4.40%
Sales & Services of Educational Activities	2.01%	1.81%	1.98%	1.85%
Other Sources	2.71%	1.21%	0.43%	2.10%
Total	100.00%	100.00%	100.00%	100.00%

*Numbers may not add to 100% due to rounding.

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

Registration, Tuition and Local Fees for Undergraduate Students per Credit Hour by Academic Year

Registration and Tuition Fees (per credit hour)	**2013-14**	**2014-15**	**2015-16**	**2016-17**	**2017-18**
In-State Students:					
Tuition	$105.07	$105.07	$105.07	$105.07	$105.07
Tuition Differential	44.17	44.17	44.17	44.17	44.17
Student Financial Aid Fee	5.25	5.25	5.25	5.25	5.25
Capital Improvement Trust Fund Fee	6.76	6.76	6.76	6.76	6.76
Subtotal	**$161.25**	**$161.25**	**$161.25**	**$161.25**	**$161.25**
Out-of-State Students (in addition to the above fees):					
Non-Resident Tuition Fee	$707.21	$707.21	$707.21	$707.21	$707.21
Non-Resident Student Financial Aid Fee	35.36	35.36	35.36	35.36	35.36
Subtotal	**$742.57**	**$742.57**	**$742.57**	**$742.57**	**$742.57**
Local Fees[1]					
Activity & Service Fee	$17.35	$18.19	$19.06	$19.06	$19.06
Athletic Fee	1.90	1.90	1.90	1.90	1.90
Transportation Access Fee	8.91	8.91	9.44	9.44	9.44
Health Fee	14.11	14.93	15.81	15.81	15.81
Technology Fee	5.25	5.25	5.25	5.25	5.25
Subtotal	**$47.52**	**$49.18**	**$51.46**	**$51.46**	**$51.46**
Total In-State Tuition and Fees	**$208.77**	**$210.43**	**$212.71**	**$212.71**	**$212.71**
Total Out-of-State Tuition and Fees	**$951.34**	**$953.00**	**$955.28**	**$955.28**	**$955.28**

[1] Local fees are assessed to both in-state and out-of-state students 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 academic years indicated.

Registration, Tuition and Local Fees for Graduate Students per Credit Hour by Academic Year

Registration and Tuition Fees (per credit hour)	**2013-14**	**2014-15**	**2015-16**	**2016-17**	**2017-18**
In-State Students:					
Tuition	$448.73	$448.73	$448.73	$448.73	$448.73
Student Financial Aid Fee	22.43	22.43	22.43	22.43	22.43
Capital Improvement Trust Fund Fee	6.76	6.76	6.76	6.76	6.76
Total	**$477.92**	**$477.92**	**$477.92**	**$477.92**	**$477.92**
Out-of-State Students (in addition to the above fees):					
Non-Resident Tuition Fee	$690.21	$690.21	$690.21	$690.21	$690.21
Non-Resident Student Financial Aid Fee	34.51	34.51	34.51	34.51	34.51
Total	**$724.72**	**$724.72**	**$724.72**	**$724.72**	**$724.72**
Local Fees[1]					
Activity & Service Fee	$17.35	$18.19	$19.06	$19.06	$19.06
Athletic Fee	1.90	1.90	1.90	1.90	1.90
Transportation Access Fee	8.91	8.91	9.44	9.44	9.44
Health Fee	14.11	14.93	15.81	15.81	15.81
Technology Fee	6.56	6.56	6.56	6.56	6.56
Total	**$48.83**	**$50.49**	**$52.77**	**$52.77**	**$52.77**
Total In-State Tuition and Fees	**$526.75**	**$528.41**	**$530.69**	**$530.69**	**$530.69**
Total Out-of-State Tuition and Fees	**$1,251.47**	**$1,253.13**	**$1,255.41**	**$1,255.41**	**$1,255.41**

[1] Local fees are assessed to both in-state and out-of-state students 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 ("IFAS") and the University's Health Science Center (medicine, veterinary medicine and dentistry), for Fiscal Year 2014-15 through Fiscal Year 2018-19. General Revenue appropriations are primarily funded from Florida's sales tax.

History of General Revenue Appropriations

Fiscal Year	General Revenue Appropriations[1]
2014-15	$569,371,488
2015-16	$601,814,100
2016-17	$633,850,478
2017-18	$696,362,377
2018-19	$707,143,237

[1]Includes General Revenue Appropriations for Educational & General, IFAS and the University's Health Science Center.

The Fiscal Year 2014-15 General Appropriations Act, Chapter 2014-51, Laws of Florida, and Fiscal Year 2015-16 General Appropriations Act, Chapter 2015-232, Laws of Florida, included increases in general revenue appropriations of $27.9 million and $32.4 million, respectively. In 2014-15, the University received recurring appropriations of $22.5 million in performance funding and $5 million for being one of two institutions designated as a Preeminent State Research University. In 2015-16, the University received additional recurring appropriations of $9 million in performance funding and $5 million for being one of two institutions designated as a Preeminent State Research University.

The Fiscal Year 2016-2017 General Appropriations Act, Chapter 2016-66, Laws of Florida, included increases in general revenue appropriations of $32 million. The University received recurring appropriations of $17.1 million in performance funding and an additional $10 million for being one of two institutions designated as a Preeminent State Research University.

The Fiscal Year 2017-2018 General Appropriations Act, Chapter 2017-70, Laws of Florida, included increases in general revenue appropriations of $62.5 million. The University received recurring appropriations of $7.4 million in performance funding, $13.3 million for the World Class Faculty & Scholar program, $13.9 million for the Professional & Graduate Degree Excellence program, and an additional $17.3 million for being one of two institutions designated as a Preeminent State Research University.

The Fiscal Year 2018-2019 General Appropriations Act, Chapter 2018-9, Laws of Florida, included increases in general revenue appropriations of $10.8 million. The University received recurring appropriations of $3.5 million for the World Class Faculty & Scholar program, $1.1 million for the Professional & Graduate Degree Excellence program, and an additional $6.2 million for being one of two institutions designated as a Preeminent State Research University.

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 2012-13 through Fiscal Year 2017-18.

History of Revenues
Other than General Revenue Appropriations

Fiscal Year	Educational & General[1]	Contracts & Grants	Auxiliary Enterprises	Other[2]	Total
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
2014-15	392,409,281	860,368,095	435,154,179	1,219,942,176	2,907,873,731
2015-16	389,785,674	945,701,386	451,782,604	1,494,527,201	3,281,796,865
2016-17	394,513,472	935,794,925	493,075,225	1,495,404,755	3,318,788,377
2017-18	404,932,821	949,423,455	504,293,116	1,606,628,773	3,465,278,165

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 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 2013-14 through Fiscal Year 2016-17.

History of Financial Aid Awards

	2013-14	2014-15	2015-16	2016-17
Source of Award				
Federal				
Number	23,606	23,484	23,337	23,187
Amount	$310,778,446	$310,894,749	$313,233,297	$313,185,854
State				
Number	33,490	32,970	33,060	32,729
Amount	$124,371,269	$124,191,298	$127,025,264	$133,454,270
Institutional				
Number	21,153	21,953	22,005	23,309
Amount	$91,820,958	$94,715,522	$97,685,803	$105,905,173
Private				
Number	5,811	5,678	5,758	6,074
Amount	$29,832,211	$31,331,216	$35,000,363	$37,186,388
Total				
Number	**46,193**	**46,491**	**47,654**	**48,553**
Amount	**$556,802,884**	**$561,132,785**	**$572,944,727**	**$589,731,685**
Type of Award				
Grants				
Number	15,254	15,523	15,181	15,260
Amount	$85,089,701	$87,059,361	$86,070,832	$86,816,305
Loans				
Number	18,123	18,132	17,995	17,831
Amount	$267,710,131	$266,505,081	$271,882,897	$275,198,028
Scholarships				
Number	36,097	35,342	35,357	35,532
Amount	$162,618,619	$164,131,340	$167,020,734	$178,455,694
Student Employment				
Number	9,380	9,877	10,431	10,954
Amount	$19,946,471	$20,877,304	$23,385,362	$24,427,791
Custodial				
Number	4,650	4,616	4,599	4,827
Amount	21,437,962	22,559,699	$24,584,902	$24,833,867
Total[1]				
Number	**46,193**	**46,491**	**47,654**	**48,553**
Amount	**$556,802,884**	**$561,132,785**	**$572,944,727**	**$589,731,685**

[1] Totals are for unduplicated recipients, thus will not foot to total of individual categories of awards.

Selected Historical Financial Information

Selected University financial information for Fiscal Years 2012-13 through 2016-17 is set forth in the following two tables. This selected historical information has been derived from, and should be read in conjunction with the University financial statements and the related notes thereto, the most recent of which for Fiscal Year 2016-17 is 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 68 is reflected in the presentation of the financial information below starting in Fiscal Year 2014-15.

Statement of Net Position

(In Thousands)

	As of June 30				
ASSETS:	**2013**	**2014**	**2015**	**2016**	**2017**
Current Assets:					
Cash and Cash Equivalents	$285	$152	$2,286	$383	$6,810
Investments	1,071,694	1,161,021	1,247,153	1,288,378	1,353,225
Accounts Receivable, Net	90,802	96,630	80,001	84,941	81,924
Loans and Notes Receivable, Net	2,821	2,787	2,983	2,906	3,546
Due from State	14,795	45,977	65,305	42,690	76,102
Due from State & Component Units	26,503	25,138	20,580	13,951	15,324
Inventories	4,570	4,690	4,580	4,449	4,258
Other Current Assets	1,964	2,130	2,765	3,669	1,884
Total Current Assets	**$1,213,434**	**$1,338,525**	**$1,425,653**	**$1,441,367**	**$1,543,073**
Noncurrent Assets:					
Restricted Cash and Cash Equivalents	$21	$14	$14	$20	$15
Restricted Investments	104,053	152,510	95,891	99,690	91,290
Other Noncurrent Investments	-	-	139,276	147,726	174,163
Loans and Notes Receivable, Net	36,375	36,975	37,993	38,396	36,945
Depreciable Capital Assets	1,633,266	1,568,905	1,554,905	1,717,678	1,822,070
Non depreciable Capital Assets	53,072	145,860	241,259	146,281	70,181
Other Noncurrent Assets	1,040	63	70	69	74
Total Noncurrent Assets	**$1,827,827**	**$1,904,327**	**$2,069,408**	**$2,149,860**	**$2,194,738**
TOTAL ASSETS	**$3,041,261**	**$3,242,852**	**$3,495,061**	**$3,591,227**	**$3,737,811**
Deferred Outflows of Resources					
Deferred Outflows of Pension Revenues	-	-	$108,808	$140,766	$269,062
Total Assets and Deferred Outflows of Resources	**$3,041,261**	**$3,242,852**	**$3,603,869**	**$3,731,993**	**$4,006,873**
LIABILITIES:					
Current Liabilities:					
Accounts Payable	$66,992	$64,133	$69,001	$72,946	$87,596
Salaries and Wages Payable	19,252	24,304	25,588	38,188	44,179
Due to Component Units/University	80,174	46,547	199,777	190,128	172,155
Deferred Revenues	-	-	-	-	-
Unearned Revenue	25,430	29,536	43,316	56,687	63,814
Deposits Held in Custody	16,086	19,055	11,910	11,390	11,696
Long-Term Liabilities - Current Portion:					
Capital Improvement Debt Payable	7,307	8,605	8,909	9,283	8,917
Bonds Payable	-	-	-	-	-
Loans and Notes Payable	-	281	528	551	572
Installment Purchase Agreements Payable	846	1,263	1,138	1,790	1,509
Capital Leases Payable	129	137	146	155	165
Compensated Absences Payable	9,143	11,658	11,861	16,668	13,469
Net Pension Liability	-	-	4,709	5,680	5,282
Liability for Self-Insured Claims	11,596	9,196	-	-	-
Other Current Liabilities	7,133	201	-	-	-
Total Current Liabilities	**$244,088**	**$214,916**	**$376,883**	**$403,466**	**$409,354**

Statement of Net Position (continued)

(In Thousands)

	As of June 30				
Noncurrent Liabilities:	**2013**	**2014**	**2015**	**2016**	**2017**
Capital Improvement Debt Payable	$112,094	$172,974	$158,314	$148,820	$138,443
Bonds Payable	-	-	-	-	-
Loans and Notes Payable	5,000	11,192	10,664	10,113	9,541
Installment Purchase Agreements Payable	772	2,097	1,921	2,634	1,620
Capital Leases Payable	2,947	2,810	2,664	2,509	2,344
Compensated Absences Payable	104,305	114,293	117,419	100,642	105,197
Other Postemployment Benefits Payable	139,775	180,690	217,539	267,706	316,874
Net Pension Liability	-	-	219,918	348,066	559,763
Liability for Self-Insured Claims	44,551	36,606	-	-	-
Other Noncurrent Liabilities	18,768	18,482	18,214	17,954	17,788
Total Noncurrent Liabilities	**$428,212**	**$539,144**	**$746,653**	**$898,444**	**$1,151,570**
TOTAL LIABILITIES:	**$672,300**	**$754,060**	**$1,123,536**	**$1,301,910**	**$1,560,924**
Deferred Inflows of Resources					
Deferred Inflows of Pension Resources	-	-	$160,302	$53,791	$7,330
Total Liabilities and Deferred Inflows of Resources	**$672,300**	**$754,060**	**$1,283,838**	**$1,355,701**	**$1,568,254**
NET POSITION					
Net Investment in Capital Assets	$1,554,445	$1,565,313	$1,615,971	$1,674,399	$1,729,141
Restricted					
Expendable:					
Loans	$35,853	$36,317	$37,424	$38,829	$39,211
Capital Projects	64,217	79,294	113,024	116,885	138,334
Debt Service	5,453	4,433	4,855	4,811	3,399
Other	589,690	654,866	436,577	414,880	367,131
Unrestricted	119,303	148,569	112,180	126,488	161,403
TOTAL NET POSITION	**$2,368,961**	**$2,488,792**	**$2,320,031**	**$2,376,292**	**$2,438,619**
TOTAL LIABILITIES AND NET POSITION	**$3,041,261**	**$3,242,852**	**$3,603,869**	**$3,731,993**	**$4,006,873**

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Statement of Revenues, Expenses and Changes in Net Position
(In Thousands)

	Fiscal Years Ended June 30				
OPERATING REVENUES	**2013**	**2014**	**2015**	**2016**	**2017**
Student Tuition and Fees	$500,508	$508,448	$522,444	$557,923	$587,425
Scholarship Allowances	(148,064)	(149,793)	(146,206)	(147,147)	(155,766)
Student Tuition and Fees, Net of Scholarship Allowances	352,444	358,655	376,238	410,776	431,659
Federal Grants and Contracts	391,536	366,315	386,876	407,784	432,731
State and Local Grants and Contracts	44,783	44,638	44,642	46,649	50,020
Nongovernmental Grants and Contracts	643,612	704,749	744,655	756,686	793,017
Sales and Services of Auxiliary Enterprises	131,350	129,942	126,085	125,974	131,406
Sales and Services of Educational Departments	51,555	52,012	52,098	55,648	55,347
Interest on Loans and Notes Receivable	976	1,178	1,092	1,146	1,013
Other Operating Revenues	2,524	2,381	3,644	3,649	2,489
Total Operating Revenues	**1,618,780**	**1,659,870**	**1,735,330**	**1,808,312**	**1,897,682**
OPERATING EXPENSES					
Employee Compensation and Benefits	1,619,868	1,724,914	1,811,810	1,882,675	2,022,323
Services and Supplies	460,776	472,507	496,362	546,030	552,130
Utilities and Communications	64,748	62,761	67,727	70,588	71,928
Scholarships, Fellowships and Waivers, Net	82,024	78,418	83,861	100,159	106,891
Depreciation	121,356	123,114	134,530	132,523	137,484
Self-Insured Claims and Expenses	(2,183)	(5,784)	-	-	-
Total Operating Expenses	**2,346,589**	**2,455,930**	**2,594,290**	**2,731,975**	**2,890,756**
Operating Income (Loss)	**(727,809)**	**(796,060)**	**(858,960)**	**(923,663)**	**(993,074)**
NONOPERATING REVENUES (EXPENSES)					
Noncapital State Appropriations	485,479	605,890	643,570	674,086	712,106
Federal and State Student Financial Aid	114,094	116,994	115,755	115,948	116,963
State Appropriated ARRA Funds	-	-	-	-	-
Noncapital Grants, Contracts, and Gifts	84,091	82,041	262,161	136,928	116,665
Investment Income (Loss)	21,850	37,474	34,321	23,544	37,952
Net Increase (Decrease) in the Fair Value of Investments	4,304	32,524	(1,144)	(15,946)	21,100
Investment Expenses	(2,566)	(3,598)	(3,842)	(4,047)	(4,141)
Other Nonoperating Revenues	-	422	710	3,417	4,243
Gain (Loss) on Disposal of Capital Assets	(3,898)	(2,699)	(2,384)	(2,072)	(16,481)
Interest on Capital Asset-Related Debt	(6,134)	(8,048)	(8,584)	(7,585)	(7,146)
Other Nonoperating Expenses	(10,128)	(6,483)	(5,782)	(5,019)	(8,712)
Net Nonoperating Revenues (Expenses)	**687,092**	**854,517**	**1,034,781**	**919,254**	**972,549**
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	**(40,717)**	**58,457**	**175,821**	**(4,409)**	**(20,525)**
Capital State Appropriations	9,464	43,667	54,222	33,076	59,430
Capital Grants, Contracts, and Donations	13,922	17,707	31,945	27,594	23,422
Total Other Revenues, Expenses, Gains, or Losses	**23,386**	**61,374**	**86,167**	**60,670**	**82,852**
Increase (Decrease) in Net Position	**(17,331)**	**119,831**	**261,988**	**56,261**	**62,327**
Net Position, Beginning of Year	**2,386,292**	**2,368,961**	**2,488,792**	**2,320,031**	**2,376,292**
Adjustment to Beginning Net Position	-	-	(430,749)	-	-
Adjusted Net Position, Beginning of Year, as Restated	**2,386,292**	**2,368,961**	**2,058,043**	**2,320,031**	**2,376,292**
Net Position, End of Year	**$2,368,961**	**$2,488,792**	**$2,320,031**	**$2,376,292**	**$2,438,619**

Students

General. The University of Florida enrollment is currently approximately 55,800 students, including UF online students. The Fall 2017 semester enrollment was 55,862: 65% were undergraduates; 22% were graduate students; 7% were professional students; 6% were unclassified non-degree seeking students. A total of 6,971 (13%) of the Fall 2017 enrollment were first time college freshman (including students enrolled in the first summer 2017 session). The demographics of the Fall 2017 enrollment were as follows: 55% female; 45% male; 34.7% minorities (which includes African American, Hispanic, Asian, Two or More Races, American Indian/Alaska Native, and Native Hawaiian or Other Pacific Islander); 6.0% African American; 18.0% Hispanic; and 8.9% foreign students. Unknown race/ethnicity was 3.3% and White students were 53.1% of the student body. The middle 50% of new SAT test (Evidence-Based Reading & Writing and Math) scores of entering UF freshmen (excluding online students) in Fall 2017 ranged from 1240 to 1400 and the mid-range of their high school grade point averages was 4.3-4.6. The few students taking the previous version of the SAT test were converted to the new SAT.

About 22% of the undergraduate 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 1,050 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 five fall semesters for which information is available.

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Admission and Registration Headcounts and Percentages by Type of Student

	Fall 2013	Fall 2014	Fall 2015	Fall 2016	Fall 2017
Total Students:					
No. of Applicants	51,096	51,238	54,839	58,088	58,660
No. Admitted	19,423	20,836	22,503	22,792	22,448
% of Applicants Admitted	38.0%	40.7%	41.0%	39.2%	38.3%
No. Enrolled	9,674	10,381	11,432	11,566	11,557
% of Admitted Enrolled	49.8%	49.8%	50.8%	50.7%	51.5%
First-Time-in-College:					
No. of Applicants	20,327	21,046	22,818	24,192	26,474
No. Admitted	9,395	9,957	10,856	10,863	11,113
% of Applicants Admitted	46.2%	47.3%	47.6%	44.9%	42.0%
No. Enrolled	4,144	4,329	4,879	4,997	4,948
% of Admitted Enrolled	44.1%	43.5%	44.5%	46.0%	44.5%
Community College Transfers:					
No. of Applicants	3,450	3,530	3,907	3,920	4,225
No. Admitted	1,597	1,683	1,935	1,886	2,099
% of Applicants Admitted	46.3%	47.7%	49.5%	48.1%	49.7%
No. Enrolled	1,259	1,342	1,572	1,481	1,648
% of Admitted Enrolled	78.8%	79.7%	81.2%	78.5%	78.5%
Other Undergraduate Transfers:					
No. of Applicants	1,846	2,028	2,860	2,738	2,974
No. Admitted	409	435	593	671	854
% of Applicants Admitted	22.2%	21.5%	20.7%	24.5%	28.7%
No. Enrolled	281	302	389	472	684
% of Admitted Enrolled	68.7%	69.4%	65.6%	70.3%	80.1%
Post-Baccalaureate:					
No. of Applicants	175	260	183	149	190
No. Admitted	113	192	122	107	96
% of Applicants Admitted	64.6%	73.8%	66.7%	71.8%	50.5%
No. Enrolled	79	127	73	58	65
% of Admitted Enrolled	69.9%	66.1%	59.8%	54.2%	67.7%
Graduate:					
No. of Applicants	18,794	18,215	18,797	19,398	17,016
No. Admitted	6,137	6,854	7,436	7,652	6,687
% of Applicants Admitted	32.7%	37.6%	39.6%	39.4%	39.3%
No. Enrolled	2,789	3,198	3,525	3,524	3,196
% of Admitted Enrolled	45.4%	46.7%	47.4%	46.1%	47.8%
Professional Schools:					
No. of Applicants	6,504	6,159	6,274	7,691	7,781
No. Admitted	1,772	1,715	1,561	1,613	1,599
% of Applicants Admitted	27.2%	27.8%	24.9%	21.0%	20.6%
No. Enrolled	1,122	1,083	994	1,034	1,016
% of Admitted Enrolled	63.3%	63.1%	63.7%	64.1%	63.5%

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 30 hours for undergraduate students and 24 hours for graduate students. FTE enrollment is determined by dividing the total number of hours enrolled by all students in a specific category by the appropriate hour requirement. Enrollment figures have been increasing mostly due to University of Florida Online.

Full-Time Equivalent Enrollment by Level and Total Headcount Enrollment

	Annual Full-Time Equivalent			**Fall Headcount**			
Academic Year	**Undergraduate**	**Graduate[1]**	**Total**	**Undergraduate[2]**	**Graduate**	**Other[3]**	**Total**
2012-13	32,315	14,518	46,833	32,176	12,189	5,721	50,086
2013-14	32,616	14,130	46,746	32,485	11,766	5,844	50,095
2014-15	32,664	14,037	46,701	32,928	11,570	6,038	50,536
2015-16	33,682	14,431	48,113	34,164	12,117	6,238	52,519
2016-17	35,033	14,779	49,812	35,717	12,575	6,562	54,854

[1] Includes medical professionals.
[2] Includes Correspondence students.
[3] Includes 1st Professionals and Unclassifieds.

Projected Annual Full-Time Equivalent and Headcount Enrollment

	Annual FTE			
Academic Year	**Undergraduate[1]**	**Graduate[2]**	**Total**	**Fall Headcount**
2017-18	36,257	14,321	50,578	55,862
2018-19	36,423	14,272	50,695	56,640
2019-20	36,677	14,222	50,899	56,894
2020-21	36,956	14,147	51,103	57,145
2021-22	36,956	14,093	51,049	57,149

[1] Includes both UF and UF Online.
[2] Includes medical and other professional students.

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The table below shows the total enrollment of students by area of origin for the past five fall semesters.

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

Area	Fall 2013	Fall 2014	Fall 2015	Fall 2016	Fall 2017
Florida	40,468	40,562	41,452	42,711	43,534
New York	490	544	631	688	714
Georgia	514	531	603	638	682
Virginia	318	368	379	437	442
Texas	315	341	423	497	500
Pennsylvania	285	313	361	403	399
California	345	384	437	442	459
New Jersey	252	292	355	412	464
All other states	3,038	3,277	3,501	3,877	4,123
USA Total	46,025	46,612	48,142	50,105	51,317
Not Residing in U.S.[1]	4,070	3,924	4,377	4,749	4,545
Total Enrollment	50,095	50,536	52,519	54,854	55,862

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

Student Recruitment. The University of Florida's 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 tele-counseling 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 for which such date is available.

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

Fall	High School GPA's	SAT Scores	ACT Scores
2013	4.1 – 4.4	1780 – 2080	27 – 31
2014	4.1 – 4.5	1760 –2010	26 – 31
2015	4.2 – 4.5	1760 –2020	27 – 31
2016	4.2 – 4.5	1740 - 2000	26 - 31
2017	4.3 – 4.6	1240 - 1400[1]	28 - 32

[1]New SAT Evidence-Based Reading and Writing plus Math scores.

The following table shows the degrees awarded to the students at the University of Florida over the past five years for which such date is available.

Degrees Granted by Discipline

	2012-13				2013-14				2014-15				2015-16				2016-17			
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]	B	S/M	P	D[1]
Agricultural and Life Sciences	1,154	244	-	102	1,206	214	-	93	1,111	199	-	116	1,060	201	-	115	1,096	270	-	112
Business Administration	921	953	-	18	1,051	1,050	-	10	1,091	1,054	-	18	1,258	1,024	-	7	1,164	1,070	-	15
Dentistry	-	9	79	-	-	14	83	-	-	11	78	-	-	17	79	-	-	13	94	-
Design, Construction and Planning	209	115	-	12	204	124	-	18	180	121	-	15	205	139	-	12	207	142	-	13
Education	117	438	-	65	136	499	-	87	134	415	-	71	130	386	-	85	140	375	-	63
Engineering	1,038	995	-	188	1,082	1,175	1	219	1,213	671	-	193	1,184	762	-	172	1,244	865	-	184
Fine Arts	258	116	-	7	236	93	-	15	236	124	-	11	222	130	-	12	229	135	-	6
Health and Human Performance	498	102	-	18	530	74	-	16	603	67	-	22	530	101	-	20	589	110	-	13
Journalism and Communications	691	52	-	17	677	107	-	12	713	102	-	12	636	134	-	18	675	94	-	12
Law	-	131	361	2	-	103	304	2	-	102	308	-	-	100	323	-	-	118	323	-
Liberal Arts and Sciences	2,918	260	-	185	2,957	226	-	230	2,872	281	-	197	2,789	272	-	214	2,747	380	-	206
Medicine	-	77	131	49	-	72	129	35	-	71	132	41		73	133	37	-	75	133	33
Nursing	195	79	-	31	183	70	-	36	189	63	-	41	183	30	-	44	214	15	-	96
Pharmacy	-	208	427	21	-	204	430	10	-	201	386	8	-	235	368	19	-	215	395	14
Public Health & Health Professions	246	200	-	135	253	200	-	140	261	186	-	139	254	191	-	154	290	212	-	156
Veterinary Medicine	-	24	86	8	-	14	98	3	-	20	101	9	-	59	111	5	-	60	115	5
TOTAL	8,245	4,003	1,084	858	8,515	4,239	1,045	926	8,603	3,688	1,005	892	8,451	3,854	1,014	914	8,595	4,149	1,060	928

[1] Includes Ed.D, (Doctor of Education), AUD, (Doctor of Audiology), DPM, (Doctor of Podiatric Medicine), DPT (Doctor of Physical Therapy) and DNP (Doctor of Nursing Practice) degrees.
Note: Includes "First Degree" as reported to IPEDS: B= Baccalaureate Degree, M= Master's Degree, S= Specialist, P=Professional Degree, D= Doctoral Degree. Excludes Interdisciplinary Studies and Multiple-College Program

Faculty

The University has 2,563 full-time "ranked" faculty (i.e., Assistant Professor, Associate Professor, Professor or similar titles). They include nationally and internationally recognized scholars, 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.

Ranked Faculty Data

Year	Full-Time Faculty[1]	Part-Time Faculty[1]	Tenured Faculty[2]	Faculty with Terminal Degrees[3]	Student/ Faculty Ratio[4]
2013-14	2,512	126	1,741	2,223	21.0/1
2014-15	2,497	111	1,708	2,232	20.7/1
2015-16	2,510	139	1,711	2,338	20.7/1
2016-17	2,501	134	1,670	2,539	20.4/1
2017-18	2,563	136	1,669	2,640	19.1/1

[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 as reported to the Integrated Postsecondary Education Data System ("IPEDS") of the National Center for Educational Statistics. The student to faculty ratio excludes UF online students and is based on instructional faculty not ranked faculty.

Staff

As of October 1, 2017, the University employed the following personnel:

Pay Plan/Type	Full-Time	Part-Time	Total
Faculty[1]	4,868	974	5,842
TEAMS/USPS	8,996	172	9,168
Graduate Assistants	9	4,094	4,103
Post-Docs	582	9	591
OPS[2]	3,471	7,724	11,195
Lab School	85	5	90
Librarians	73	0	73
Total Employees	18,084	12,978	31,062

[1] Includes OPS faculty, extension agents, adjunct faculty, administrative faculty, support faculty, and regular faculty.
[2] Includes OPS staff, temporary student employees, and Federal Work Study.

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.

In Fiscal Year 2016-17 the University received $267 million in voluntary support of education (VSE). As of June 30, 2017, the total private endowment at the Foundation was $1.61 billion, while the total value of the assets managed by the Foundation was approximately $1.92 billion. The Foundation provided the University with $125.9 million in support from non-endowed gifts and spendable transfers from the endowment in Fiscal Year 2016-17.

The Foundation and UF Advancement 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 cumulative lifetime giving of $100,000 or more.
- The annual giving program leverages direct marketing channels and frontline fundraisers to provide donors the opportunity to contribute to a wide range of academic programs and purposes on campus.
- There are nearly 100 Gator Clubs® around the world, existing to support the mission of the University and the UF Alumni Association. These clubs help recruit students, fund scholarships and involve University of Florida alumni and friends in the life of the University.

The table below sets forth financial information relating to the University of Florida Foundation, Inc. for the Fiscal Years 2012-13 through 2016-17. 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 five years.

Fiscal Year[1]	Assets[2]	Liabilities	Revenues	Expenditures
2012-13	$1,807,778,950	$75,487,868	$246,734,901	$139,103,286
2013-14	1,971,849,920	68,776,253	321,732,153	151,098,883
2014-15	1,860,569,309	96,964,697	189,743,626	324,387,249
2015-16	1,799,366,703	99,206,007	130,168,794	181,769,765
2016-17	1,920,352,132	82,812,311	344,901,074	165,749,140

[1] Fiscal Years ended June 30.
[2] 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 per audited financial statements. It is anticipated that gifts will remain above $100 million over the next few years, but this will be subject to the overall financial markets which impacts donors.

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

Giving Program	2012-13	2013-14	2014-15	2015-16	2016-17
Total Unrestricted Gifts	$100,643	$112,393	$144,158	$213,283	$34,890
Total Restricted Gifts	69,445,019	80,110,028	60,633,694	106,565,679	66,194,766
Total Endowments	40,031,456	31,624,980	31,138,703	47,876,133	75,768,147
Total Gifts Received	**$109,577,118**	**$111,847,401**	**$91,916,555**	**$154,655,095**	**$141,997,803**

APPENDIX H

GO GREATER

UNIVERSITY OF FLORIDA ANNUAL FINANCIAL REPORT | 2016-2017

UF

UF ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2017


1853

UNIVERSITY OF FLORIDA

FOR THE GATOR GOOD

The University of Florida is a comprehensive learning institution built on a land-grant foundation. We are the Gator Nation, a diverse community dedicated to excellence in education and research and shaping a better future for Florida, the nation, and the world.

MISSION

The University's mission is to enable students to lead and influence the next generation and beyond for economic, cultural, and societal benefit by striving to offer broad-based, inclusive public education, leading research, and service to the residents of Florida, the nation, and the world. The fusion of these three endeavors stimulates a remarkable intellectual vitality and generates a synthesis that represents the University's greatest strength.

Education is a fundamental purpose of this University at both the graduate and undergraduate levels. Research and scholarship are integral to the education process and to the expansion of our understanding of the natural world, the intellect, and the senses. Service reflects the University's obligation to share the benefits of its research and knowledge for the public good.

These three interlocking elements span all academic disciplines and represent the University's commitment to lead and serve the state of Florida, the nation, and the world by pursuing and disseminating new knowledge while building upon the experiences of the past. The University of Florida aspires to advance by strengthening the human condition and improving the quality of life.

HISTORY

The University of Florida, the State's oldest university, traces its beginning of rich history to 1853, when the state-funded East Florida Seminary acquired the Kingsbury Academy in Ocala. After the end of the Civil War, the institution relocated to Gainesville, ultimately consolidated with the State's land grant Florida Agricultural College, and was renamed the University of Florida in 1906. At the time, the University was an all-male institution with only 102 students.

Until 1947, the University of Florida was one of only three State universities, along with the Florida State College for Women (now Florida State University) and Florida A&M University. Women attended as early as 1916, and the student body grew to 601 women and 8,177 men when the Legislature removed all barriers for female enrollment in 1947.

Today, the University is one of the largest in the nation, boasting an enrollment of more than 54,000 students. The campus consists of 2,000 acres and more than 900 buildings, including the first Leadership in Energy and Environmental Design (LEED) Platinum-certified building in the state of Florida. The University also has programs and facilities in more than 180 locations around the State and the globe.

FACULTY

The University faculty, which numbers more than 5,000, has over 48 Eminent Scholar Chairs and more than 40 members that have been elected to the National Academies of Science and/or Engineering, the Institute of Medicine, or the American Academy of Arts or Sciences. Present and past faculty include Pulitzer Prize winners, a pioneer in aviation engineering, a leading scholar on econometrics, three winners of NASA's top award for research, one of the four charter members of the Solar Hall of Fame, and a winner of the Smithsonian Institution's award for conservation.

From pharmacy and public relations to pain mitigation and materials engineering, the University of Florida is a recognized leader in a wide variety of specialties and areas. University researchers and scientists have made significant developments and discoveries in many fields, including astronomy, microbiology, metallurgy, and medical technology.

RESEARCH

The University of Florida is a world leader in research, contributing significantly to nearly every field of endeavor. Since 1985, the University of Florida has been a member of the Association of American Universities, which is comprised of 62 leading research universities in the United States and Canada. To date, the University of Florida is the only member university located in Florida.

University researchers have pioneered new therapies and better treatments in the fights against aging and disease. They have developed renewable energy sources that offer great promise in reducing our dependence on fossil fuels, as well as engineered healthier foods, developed more energy-efficient and sustainable construction techniques, and established better ways to protect the environment.

Through the years of research, University of Florida scientists, inventors, engineers, and researchers have developed products and practices that have been distributed and applied with an international reach, improving the lives of millions of people in Florida and around the world.

STUDENTS

The University of Florida's freshman retention rate of 96 percent speaks to the outstanding quality of the University's entire academic experience. Fall 2016 figures indicate an enrollment of 54,854 students, with almost 80 percent of whom are from Florida. Almost every state in the nation is represented in the University of Florida student body, and the University is gaining an increasingly international enrollment, with over 6,000 international students representing more than 150 countries.

Sixty-five percent of enrolled students are degree-seeking undergraduates, 23 percent are graduate students and eight percent are in a professional degree program. Four percent are unclassified/non-degree seeking undergraduates.

University of Florida students also receive many opportunities to participate in extracurricular activities. There are more than 1,000 student organizations on campus, and students attend more than 2,000 campus concerts, art exhibits, theatrical productions, guest lectures, sporting events, as well as other events each year.

The University of Florida, which is comprised of 16 colleges, offers more than 100 undergraduate majors and more than 250 graduate programs. The University is among the top 10 publically ranked schools in the U.S. News Best Colleges (2018 ed.) and ranks 3rd in Forbes "Best Value Public Colleges" (2017). The University's consistent ranking among the nation's top universities is a result of the commitment to provide the highest quality education at the best value.

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 ending on June 30, 2017. This report provides timely, useful information about the University's financial activities, status and well-being in the past fiscal year.

The mission of the Office of the Vice President and Chief Financial Officer is to "provide leadership in financial planning, decision making and process improvement." We are continually seeking ways to provide financial support and guidance to the campus community and collaborate with partners across UF.

Here are some highlights from the year:

- Under the auspices of the Business Process Improvement Office, we provided campus with Bridge Staffing, which processes transactions to ensure business continuity when there is staff turnover or leave; Reporting Services, which helps units more effectively manage their business operations; and Shared Services, which provides human resources expertise, expense transaction processing and financial management support across UF.
- Finance and Accounting began construction on a new Surplus Property Warehouse to expand available space and provide more services to University departments. The warehouse, which will house UF's Surplus Property Operations, is expected to be completed in early 2018.
- The University Budget Office launched a Commitments Ledger during the fourth quarter of the fiscal year. The Ledger is already being used by campus and will, for the first time, provide a centralized report of commitments, such as start-up packages for incoming faculty, capital needs and other future needs of the units across campus. The application will continue to be refined to offer colleges and departments the most effective tool possible.
- The Procurement department earned the 2017 Annual Achievement of Excellence in Procurement Award for the fourth consecutive year and was one of only 25 higher education organizations in the U.S. and Canada to receive the award. The award recognizes organizational excellence in public procurement, taking into account innovation, professionalism, e-procurement, productivity and leadership.

- Representatives from the CFO's Office gave a "best practices" presentation to the NACUBO Planning and Budgeting Forum about modifications to the University's budget model. With input from stakeholders across campus, the modified budget model was designed to simplify the allocation process and increase transparency and predictability at the college level from one year to the next.

In addition to the business process improvements and efforts noted above, the 2016-2017 fiscal year included the completion of some major construction projects:

- Exactech Arena at the Stephen O'Connell Center has a redesigned entrance and innovative interior, including a premium club lounge, increased courtside seating and a new high-efficiency utility system.
- Joseph Hernandez Hall Chemistry/Chemical Biology Building provides approximately 110,000 square feet of modern teaching laboratories, lecture rooms, and teaching support.
- Newell Hall has been renovated and repurposed to create a modern learning commons for our students.

Construction continues on several major projects including Phase II of Innovation Hub, the addition and renovation of the Career Resource Center, a new IFAS Bee Unit Facility, and the Herbert Wertheim Laboratory for Engineering Excellence.

I encourage you to read the following report to learn more about the financial health and activities of the University of Florida – the state of Florida's oldest, largest and most comprehensive flagship university – a place dear to us all and where preeminence thrives.

Most cordially,

Michael V. McKee
Vice President and Chief Financial Officer

AUDITOR GENERAL
STATE OF FLORIDA

Sherrill F. Norman, CPA
Auditor General

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

Phone: (850) 412-2722
Fax: (850) 488-6975

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

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of 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, 2017, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the aggregate discretely presented component units, which represent 100 percent of the transactions and account balances of the aggregate discretely presented component units' columns. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the University of Florida and of its aggregate discretely presented component units as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that **MANAGEMENT'S DISCUSSION AND ANALYSIS**, the **Schedule of Funding Progress – Other Postemployment Benefits Plan**, **Schedule of the University's Proportionate Share of the Net Pension Liability – Florida Retirement System (FRS) Pension Plan**, **Schedule of University Contributions – Florida Retirement System (FRS) Pension Plan**, **Schedule of the University's Proportionate Share of the Net Pension Liability – Health Insurance Subsidy (HIS) Pension Plan**, and **Schedule of University Contributions – Health Insurance Subsidy (HIS) Pension Plan** be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Report on Partial Comparative Information

We have previously audited the University of Florida's 2015-16 fiscal year financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 8, 2017. In our opinion, the partial comparative information presented as of and for the fiscal year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated February 22, 2018, 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 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 the results of that testing, and not to provide an opinion on the effectiveness of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University of Florida's internal control over financial reporting and compliance.

Respectfully submitted,

Sherrill F. Norman

Sherrill F. Norman, CPA
Tallahassee, Florida
February 22, 2018
Audit Report No. 2018-118


AKE IT TO THE
EXT LEVEL

MANAGEMENT'S DISCUSSION AND ANALYSIS

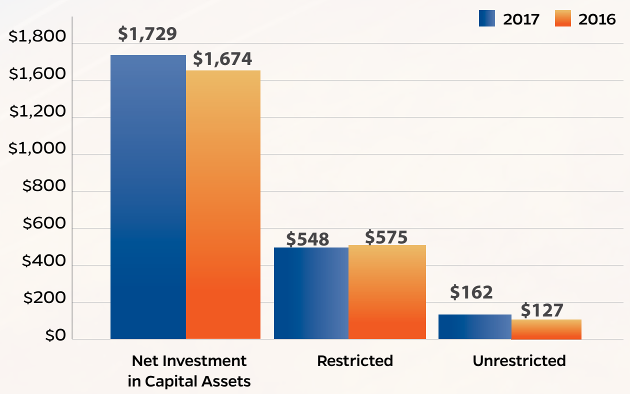
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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, 2017, 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, financial statements, and notes thereto, are the responsibility of University management. The MD&A contains financial activity of the University for the fiscal years ended June 30, 2017, and June 30, 2016.

Financial Highlights

The University's assets totaled $3.7 billion at June 30, 2017. This balance reflects a $146.6 million, or 4.1%, increase from the 2015-16 fiscal year. The increase in assets resulted primarily from an increase in depreciable capital assets placed in service as well as an increase in total investments. While total assets increased, liabilities also increased by $259.1 million, or 19.9%, totaling $1.6 billion at June 30, 2017, primarily as a result of the increase in net pension liability and postemployment benefits payable. The University's net position increased by $62.3 million, or 2.6%, resulting in a year-end balance of $2.4 billion. Net position represents the residual interest in the University's assets and deferred outflows of resources after deducting liabilities and deferred inflows of resources. The University's comparative total net position by category for the fiscal years ended June 30, 2017, and June 30, 2016, are shown in the following chart:

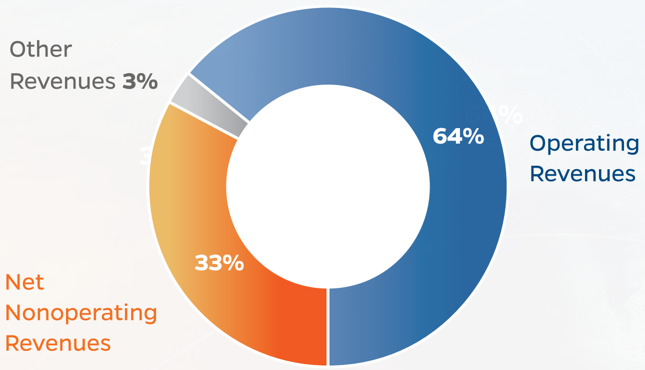
COMPARATIVE TOTAL NET POSITION *(in millions)*



The University's operating revenues totaled $1.9 billion for the 2016-17 fiscal year, representing a 4.9% increase over the 2015-16 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 $20.9 million, or 5.1%. Grants and Contracts revenue increased by $64.7 million, or 5.3%.

The following chart provides a graphical presentation of the University's total revenues by category for the 2016-17 fiscal year:

TOTAL REVENUES 2016-17



Operating expenses totaled $2.9 billion for the 2016-17 fiscal year, representing a $158.8 million, or 5.8%, increase compared to the 2015-16 fiscal year. The largest category contributing to this increase was Employee Compensation and Benefits.

Net nonoperating revenues and expenses in the 2016-17 fiscal year increased $53.2 million primarily due to an increase in State Noncapital Appropriations, Investment Income, and Net Increase in the Fair Value of Investments.

The University had significant construction activity during the year. Several major construction projects were completed during the year including the Stephen O'Connell Center Renovation and Addition, Chemistry/Chemical Biology Building, and Newell Hall Renovation for a total of $142.1 million capitalized.

Overview of Financial Statements

Pursuant to GASB Statement No. 35, the University's financial report includes three basic financial statements: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows. The financial statements and notes thereto encompass the University and its component units.

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

The Statement of Revenues, Expenses, and Changes in Net Position presents the University's revenue and expense activity, categorized as operating and nonoperating. Revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid. GASB Statement No. 35 categorizes revenues and expenses as either operating or nonoperating. Operating revenues generally result from exchange transactions where each of the parties to the transaction either gives or receives something of equal or similar value.

The 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 classification on the Statement of Revenues, Expenses, and Changes in Net Position and has displayed the functional classification in the Operating Expenses table and in the notes to the financial statements.

Certain revenue sources that the University relies on to provide funding for operations, including State Noncapital Appropriations, certain gifts and grants, and investment income, are defined by GASB as nonoperating. Nonoperating expenses include capital financing costs and other costs related to capital assets.

Other Revenues is composed of State Capital Appropriations and Capital Grants, Contracts, and Donations.

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 assists 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 reflect 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 reflect 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.

$3.7 BILLION
TOTAL ASSETS

$1.9 BILLION
TOTAL OPERATING REVENUES

$1.3 BILLION
GRANTS AND CONTRACTS

The University's basic financial statements include discretely presented component units categorized as follows:

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. In addition, this category includes the University of Florida Self-Insurance Program and the University of Florida Healthcare Education Insurance Company.

Statement of Net Position

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

Condensed Statement of Net Position *(in millions)*

	2017	2016
Assets:		
Current Assets	$ 1,543.1	$ 1,441.4
Capital Assets, Net	1,892.2	1,864.0
Other Noncurrent Assets	302.5	285.8
Total Assets	3,737.8	3,591.2
Deferred Outflows of Resources	269.1	140.8
Total Assets and Deferred Outflows of Resources	4,006.9	3,732.0
Liabilities:		
Current Liabilities	409.4	403.5
Noncurrent Liabilities	1,151.6	898.4
Total Liabilities	1,561.0	1,301.9
Deferred Inflows of Resources	7.3	53.8
Total Liabilities and Deferred Inflows of Resources	1,568.3	1,355.7
Net Position:		
Net Investment in Capital Assets	1,729.1	1,674.4
Restricted	548.1	575.4
Unrestricted	161.4	126.5
Total Net Position	**$ 2,438.6**	**$ 2,376.3**

The increase in assets resulted primarily from an increase in depreciable capital assets as well as total investments, which increased by $104.4 million and $82.9 million, respectively. The increase in depreciable capital assets was partially offset by a decrease in construction in progress of $76.1 million as the Stephen O'Connell Center Renovation and Addition along with the Chemistry/Chemical Biology Building were finished and placed into service in the 2016-17 fiscal year. Investments grew as a result of the University's increase in investment income and the fair value of investments, as driven by market performance. Due From State increased $33.4 million due to expanded authority from the Department of Education for the NEXUS Engineering Addition and Norman Hall Remodeling projects.

The large increase in noncurrent liabilities is primarily due to an increase of $211.7 million in the long-term portion of Net Pension Liability. GASB Statement No. 68, *Accounting and Financial Reporting for Pensions,* requires employers participating in cost-sharing multiple-employer defined benefit pension plans to report the employers' proportionate share of the net pension liabilities of the defined benefit pension plans. The change in the Net Pension Liability is driven by the market performance for the plan assets as of the measurement date for the plan liabilities.

The reported deferred outflows of resources and deferred inflows of resources are also required under GASB Statement No. 68.

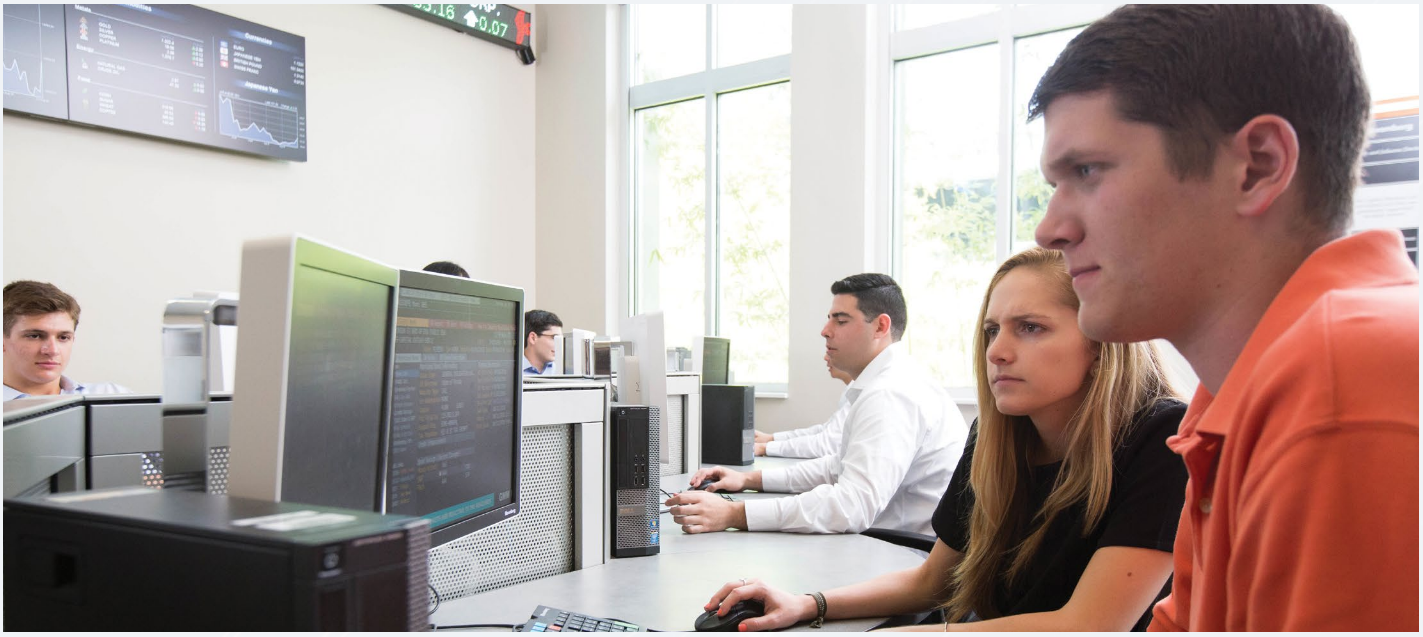
Statement of Revenues, Expenses, and Changes in Net Position

The following table summarizes the University's activity for the 2016-17 and 2015-16 fiscal years:

Condensed Statement of Revenues, Expenses, and Changes in Net Position *(in millions)*

	2016-17	2015-16
Operating Revenues	$ 1,897.7	$ 1,808.3
Operating Expenses	(2,890.8)	(2,732.0)
Operating Loss	(993.1)	(923.7)
Net Nonoperating Revenues	972.5	919.3
Loss Before Other Revenues	(20.6)	(4.4)
Other Revenues	82.9	60.7
Increase in Net Position	**62.3**	**56.3**
Net Position, Beginning of Year	**2,376.3**	**2,320.0**
Net Position, End of Year	**$ 2,438.6**	**$ 2,376.3**

The University's net position increased by $62.3 million for the 2016-17 fiscal year.



Operating Revenues

The following table summarizes the operating revenues by source that were used to fund operating activities during the 2016-17 and 2015-16 fiscal years:

Operating Revenues *(in millions)*

	2016-17	2015-16
Grants and Contracts	$ 1,275.8	$ 1,211.1
Student Tuition and Fees, Net of Scholarship Allowances	431.7	410.8
Sales and Services of Auxiliary Enterprises	131.4	126.0
Sales and Services of Educational Departments	55.3	55.6
Other	3.5	4.8
Total Operating Revenues	**$ 1,897.7**	**$ 1,808.3**

Increases in operating revenues during the 2016-17 fiscal year resulted from increases in awards of Nongovernmental Grants and Contracts and Federal Grants and Contracts, which increased by $36.3 million and $24.9 million, respectively. In addition, Student Tuition and Fees, Net of Scholarship Allowances increased by $20.9 million due to increased enrollment, particularly for out-of-state residents.

Operating Expenses

The following table summarizes the operating expenses for each method of classification for the 2016-17 and 2015-16 fiscal years:

Operating Expenses *(in millions)*

Natural Classification	2016-17	2015-16
Employee Compensation and Benefits	$ 2,022.3	$ 1,882.7
Services and Supplies	552.2	546.0
Depreciation	137.5	132.5
Scholarships, Fellowships and Waivers *	106.9	100.2
Utilities and Communications	71.9	70.6
Total Operating Expenses	**$ 2,890.8**	**$ 2,732.0**

Functional Classification	2016-17	2015-16
Instruction	$ 715.5	$ 674.9
Public Service	647.9	583.5
Research	635.2	619.9
Academic Support	204.6	187.6
Institutional Support	152.9	161.8
Depreciation	137.5	132.5
Auxiliary Enterprises	126.6	112.0
Operation and Maintenance of Plant	121.6	120.6
Scholarships, Fellowships and Waivers *	106.9	100.2
Student Services	42.1	39.0
Total Operating Expenses	**$ 2,890.8**	**$ 2,732.0**

** Net of Scholarship Allowances of $155.8 million in the 2016-17 fiscal year and $147.1 million in the 2015-16 fiscal year.*

Operating expenses increased primarily due to a $139.6 million increase in Employee Compensation and Benefits which was driven by increases in Pension Expense, an increase in the number of employees working at the University, and increases to pay rates and Fringe Benefit Pool rates for various University personnel.

Nonoperating Revenues and Expenses

The following table summarizes the University's nonoperating revenues and expenses for the 2016-17 and 2015-16 fiscal years:

Nonoperating Revenues (Expenses) *(in millions)*

	2016-17	2015-16
State Noncapital Appropriations	$ 712.1	$ 674.1
Federal and State Student Financial Aid	117.0	115.9
Noncapital Grants, Contracts, and Gifts	116.7	136.9
Investment Income, Net of Expenses	33.8	19.5
Net Increase (Decrease) in Fair Value of Investments	21.1	(15.9)
Loss on Disposal of Capital Assets	(16.5)	(2.1)
Interest on Capital Asset-Related Debt	(7.1)	(7.6)
Other Net Nonoperating Expenses	(4.6)	(1.5)
Net Nonoperating Revenues	**$ 972.5**	**$ 919.3**

The increase in Net Nonoperating Revenues of $53.2 million resulted primarily from an increase in State Noncapital Appropriations, Investment Income, and Net Increase in the Fair Value of Investments. The increase in State Noncapital Appropriations is attributable to additional Public Education Capital Outlay (PECO) funding provided by the State for maintenance and site improvements to University property. The increase in Investment Income and the Net Increase in the Fair Value of Investments are driven by the market performance of the University's investments during the year, as compared to performance during the previous year.

Other Revenues

The following table summarizes the University's other revenues for the 2016-17 and 2015-16 fiscal years:

Other Revenues *(in millions)*

	2016-17	2015-16
State Capital Appropriations	$ 59.5	$ 33.1
Capital Grants, Contracts, and Donations	23.4	27.6
Total Other Revenues	**$ 82.9**	**$ 60.7**

Increased PECO funding for the NEXUS Engineering Addition and the Norman Hall Remodeling resulted in an increase in State Capital Appropriations and, accordingly, Total Other Revenues.

Statement of Cash Flows

The following table summarizes cash flows for the 2016-17 and 2015-16 fiscal years:

Condensed Statement of Cash Flows *(in millions)*

	2016-17	2015-16
Cash Provided (Used) by:		
Operating Activities	$ (741.0)	$ (727.1)
Noncapital Financing Activities	935.2	914.5
Capital and Related Financing Activities	(159.8)	(138.8)
Investing Activities	(28.0)	(50.5)
Net Increase (Decrease) in Cash and Cash Equivalents	**6.4**	**(1.9)**
Cash and Cash Equivalents, Beginning of Year	**0.4**	**2.3**
Cash and Cash Equivalents, End of Year	**$ 6.8**	**$ 0.4**

Major sources of funds came from Grants and Contracts ($1,277.0 million), State Noncapital Appropriations ($712.1 million), Student Tuition and Fees, Net ($432.5 million), Sales and Services of Auxiliary Enterprises ($130.4 million), and Federal and State Financial Aid ($117.0 million). Major uses of funds were for Payments to Employees ($1,929.3 million), Payments to Suppliers for Goods and Services ($612.1 million), and the Purchase or Construction of Capital Assets ($179.2 million).

Capital Assets, Capital Expenses and Commitments, and Debt Administration

CAPITAL ASSETS

At June 30, 2017, the University had approximately $4.0 billion in capital assets, less accumulated depreciation of $2.1 billion, for net capital assets of $1.9 billion. Depreciation charges for the current fiscal year totaled $137.5 million. The following table summarizes the University's capital assets, net of accumulated depreciation, at June 30:

Total Capital Assets, Net *(in millions)*

	2017	2016
Land	$ 12.5	$ 12.5
Buildings	1,515.9	1,412.8
Infrastructure and Other Improvements	48.3	49.9
Furniture and Equipment	194.6	192.8
Library Resources	47.9	50.1
Property Under Capital Lease and Leasehold Improvements	14.8	11.4
Other Capital Assets	4.8	5.0
Construction in Progress	53.4	129.5
Total Capital Assets (Nondepreciable and Depreciable, Net)	**$ 1,892.2**	**$ 1,864.0**

Additional information about the University's capital assets is presented in Note 7 to the financial statements.

Total Capital Assets increased in the 2016-17 fiscal year as the Stephen O'Connell Center Renovation and Addition, Chemistry/

Chemical Biology Building, and Newall Hall Renovation were all completed and placed in service during the year. These additions are reflected in the increased basis in Buildings and the decrease in Construction in Progress.

CAPITAL EXPENSES AND COMMITMENTS

Major capital expenses on the University's largest ongoing projects include NEXUS Engineering Addition and Innovation Hub, Phase II for $2.0 million and $7.9 million, respectively.

The University's construction commitments at June 30, 2017, are as follows:

Construction Commitments *(in millions)*

Total Commitments	$	222.6
Completed to Date		53.4
Balance Committed	**$**	**169.2**

Additional information about the University's construction commitments is presented in Note 14 to the financial statements.

DEBT ADMINISTRATION

At June 30, 2017, the University had $163.1 million in outstanding capital asset-related debt, representing a decrease of $12.8 million, or 7.3%, 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)*

		2017		2016
Capital Improvement Debt	$	147.4	$	158.1
Loans and Notes		10.1		10.7
Installment Purchase Agreements		3.1		4.4
Capital Leases		2.5		2.7
Total Capital Asset-Related Debt	**$**	**163.1**	**$**	**175.9**

Additional information about the University's capital asset-related debt is presented in Note 11 to the financial statements.

Economic Factors That Will Affect the Future

The University's economic condition is closely tied to that of the state of Florida. The forecast suggests overall stability for the Florida economy, with modest yet uneven growth in all of the key economic indicators – personal income, employment, housing starts, light vehicle registrations, and tourism. With job growth and increased reasons for optimism in the labor market, the State's unemployment rate continues to improve. The State's unemployment rate in July 2017 was lower than the nation as a whole at 4.1%. Housing starts, light vehicle registrations, and tourism are all on an upward growth trend and the forecast expects this trend to continue.

The modest economic conditions are reflected in the University's $58.0 million increase in State Appropriations for the coming fiscal year. The State budget for the 2017-18 fiscal year includes, for the University, $7.4 million in additional performance funding allocation, and $17.3 million in additional funding for the preeminence initiative enabling the University to hire new faculty. Furthermore, the budget includes $13.3 million in funding for the State's newly established World Class Faculty Scholar Program and $13.9 million in funding for the State's newly established University Professional and Graduate Degree Excellence Program.

The 2017-18 fiscal year budget reflects the sustained commitment of the Legislature and the Governor to support the University of Florida after becoming one of the nation's top ten public research universities.

Requests for Information

Questions concerning information provided in the MD&A, financial statements and notes thereto, and other required supplementary information, or requests for additional financial information should be addressed to Alan M. West, Assistant Vice President and University Controller, P.O. Box 113200, Gainesville, Florida 32611.

Statement of Net Position

As of June 30, 2017 (amounts expressed in thousands)

	University of Florida 2017	University of Florida 2016	Component Units: Direct-Support Organizations	Component Units: Health Science Center Affiliates	Component Units: Shands Hospital and Others
ASSETS					
Current Assets:					
Cash and Cash Equivalents (Note 1)	$ 6,810	$ 383	$ 32,472	$ 83,192	$ 85,944
Investments (Note 3)	1,353,225	1,288,378	69,837	45,048	440,834
Accounts Receivable, Net (Note 4)	81,924	84,941	168,309	66,434	350,959
Loans and Notes Receivable, Net (Note 4)	3,546	2,906	-	-	-
Due From State (Note 5)	76,102	42,690	-	-	-
Due From Component Units/University (Note 6)	15,324	13,951	145,947	39,260	95,892
Inventories	4,258	4,449	208	-	33,784
Other Current Assets	1,884	3,669	16,808	1,654	43,901
Total Current Assets	**1,543,073**	**1,441,367**	**433,581**	**235,588**	**1,051,314**
Noncurrent Assets:					
Restricted Cash and Cash Equivalents (Note 1)	15	20	35,606	-	32,752
Restricted Investments (Note 3)	91,290	99,690	1,727,889	13,254	560,557
Other Noncurrent Investments (Note 3)	174,163	147,726	-	-	-
Loans and Notes Receivable, Net (Note 4)	36,945	38,396	-	-	-
Depreciable Capital Assets, Net (Note 7)	1,822,070	1,717,678	199,639	59,256	837,656
Nondepreciable Capital Assets (Note 7)	70,181	146,281	59,083	6,687	409,186
Other Noncurrent Assets	74	69	-	2,472	87,801
Total Noncurrent Assets	**2,194,738**	**2,149,860**	**2,022,217**	**81,669**	**1,927,952**
TOTAL ASSETS	**3,737,811**	**3,591,227**	**2,455,798**	**317,257**	**2,979,266**
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows of Pension Resources (Note 9)	269,062	140,766	-	-	95,035
Accumulated Decrease in Fair Value of Interest Rate Swap Agreements	-	-	-	-	49,228
Losses on Debt Refunding	-	-	-	-	376
TOTAL DEFERRED OUTFLOWS OF RESOURCES	269,062	140,766	-	-	144,639
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$ 4,006,873**	**$ 3,731,993**	**$ 2,455,798**	**$ 317,257**	**$ 3,123,905**
LIABILITIES					
Current Liabilities:					
Accounts Payable	$ 87,596	$ 72,946	$ 22,972	$ 20,732	$ 280,947
Salaries and Wages Payable	44,179	38,188	-	8,353	92,213
Due To Component Units/University (Note 6)	172,155	190,128	88,007	7,852	61,913
Unearned Revenue (Note 10)	63,814	56,687	67,367	17	-
Deposits Held in Custody	11,696	11,390	-	129	-
Other Current Liabilities	-	-	5,516	-	-
Long-Term Liabilities - Current Portion: (Note 11)					
Capital Improvement Debt Payable	8,917	9,283	-	-	-
Bonds Payable	-	-	5,140	2,116	24,065
Loans and Notes Payable	572	551	1,014	-	-
Installment Purchase Agreements Payable	1,509	1,790	-	-	-
Capital Leases Payable	165	155	-	94	1,376
Compensated Absences Payable	13,469	16,668	323	-	-
Net Pension Liability	5,282	5,680	-	-	-
Liability for Self-Insured Claims	-	-	18,778	-	6,040
Total Current Liabilities	**409,354**	**403,466**	**209,117**	**39,293**	**466,554**

Statement of Net Position

As of June 30, 2017 (amounts expressed in thousands)

	University of Florida		Component Units		
	2017	2016	Direct-Support Organizations	Health Science Center Affiliates	Shands Hospital and Others
Noncurrent Liabilities: (Note 11)					
Capital Improvement Debt Payable	$ 138,443	$ 148,820	$ -	$ -	$ -
Bonds Payable	-	-	81,275	28,431	1,070,368
Loans and Notes Payable	9,541	10,113	2,534	8,000	-
Installment Purchase Agreements Payable	1,620	2,634	-	-	-
Capital Leases Payable	2,344	2,509	-	438	5,429
Compensated Absences Payable	105,197	100,642	3,402	-	-
Other Postemployment Benefits Payable	316,874	267,706	-	-	-
Net Pension Liability	559,763	348,066	-	-	-
Liability for Self-Insured Claims	-	-	-	-	27,516
Other Noncurrent Liabilities	17,788	17,954	43,737	-	104,237
Total Noncurrent Liabilities	**1,151,570**	**898,444**	**130,948**	**36,869**	**1,207,550**
TOTAL LIABILITIES	**1,560,924**	**1,301,910**	**340,065**	**76,162**	**1,674,104**
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows of Pension Resources (Note 9)	7,330	53,791	-	-	29,128
Accumulated Increase in Fair Value of Interest Rate Swap Agreements	-	-	-	-	4,171
Gains on Debt Refunding	-	-	-	-	2,732
TOTAL DEFERRED INFLOWS OF RESOURCES	7,330	53,791	-	-	36,031
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	**1,568,254**	**1,355,701**	**340,065**	**76,162**	**1,710,135**
NET POSITION					
Net Investment in Capital Assets	1,729,141	1,674,399	114,969	26,864	187,946
Restricted:					
Nonexpendable:					
Endowment	-	-	1,345,934	-	253
Expendable:					
Endowment	-	-	355,998	-	13,161
Loans	39,211	38,829	-	-	-
Capital Projects	138,334	116,885	-	-	-
Debt Service	3,399	4,811	-	-	-
Other	367,131	414,880	137,562	-	170,257
Unrestricted	161,403	126,488	161,270	214,231	1,042,153
TOTAL NET POSITION	2,438,619	2,376,292	2,115,733	241,095	1,413,770
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	**$ 4,006,873**	**$ 3,731,993**	**$ 2,455,798**	**$ 317,257**	**$ 3,123,905**

The accompanying notes are an integral part of these financial statements.

Statement of Revenues, Expenses, and Changes In Net Position

for the Fiscal Year Ended June 30, 2017 (amounts expressed in thousands)

	University of Florida		Component Units		
	2016-17	2015-16	Direct-Support Organizations	Health Science Center Affiliates	Shands Hospital and Others
OPERATING REVENUES					
Student Tuition and Fees	$ 587,425	$ 557,923	$ -	$ -	$ -
Scholarship Allowances	(155,766)	(147,147)	-	-	-
Student Tuition and Fees, Net of Scholarship Allowances	431,659	410,776	-	-	-
Federal Grants and Contracts	432,731	407,784	-	-	-
State and Local Grants and Contracts	50,020	46,649	-	-	-
Nongovernmental Grants and Contracts	793,017	756,686	-	-	-
Sales and Services of Auxiliary Enterprises (Note 12)	131,406	125,974	-	-	-
Sales and Services of Educational Departments	55,347	55,648	-	-	-
Sales and Services of Component Units	-	-	178,540	-	-
Hospital Revenues	-	-	-	805,997	2,097,450
Gifts and Donations - Component Units	-	-	90,575	-	-
Royalties and Licensing Fees - Component Units	-	-	34,352	-	-
Interest on Loans and Notes Receivable	1,013	1,146	-	-	-
Other Operating Revenues	2,489	3,649	9,055	99,354	33,038
Total Operating Revenues	**1,897,682**	**1,808,312**	**312,522**	**905,351**	**2,130,488**
OPERATING EXPENSES					
Employee Compensation and Benefits	2,022,323	1,882,675	1,491	91,168	920,577
Services and Supplies	552,130	546,030	347,268	209,807	926,061
Utilities and Communications	71,928	70,588	-	-	-
Scholarships, Fellowships, and Waivers, Net	106,891	100,159	-	-	-
Depreciation	137,484	132,523	11,543	8,864	86,571
Self-Insured Claims and Expenses	-	-	-	-	4,081
Total Operating Expenses (Note 18)	**2,890,756**	**2,731,975**	**360,302**	**309,839**	**1,937,290**
Operating Income (Loss)	**(993,074)**	**(923,663)**	**(47,780)**	**595,512**	**193,198**
NONOPERATING REVENUES (EXPENSES)					
State Noncapital Appropriations	712,106	674,086	8,000	-	7,050
Federal and State Student Financial Aid	116,963	115,948	-	-	-
Noncapital Grants, Contracts, and Gifts	116,665	136,928	-	-	-
Investment Income	37,952	23,544	181,833	959	29,989
Net Increase (Decrease) in the Fair Value of Investments	21,100	(15,946)	1,402	1,045	20,661
Investment Expenses	(4,141)	(4,047)	(312)	(842)	-
Other Nonoperating Revenues	4,243	3,417	10,824	-	7,271
Gain (Loss) on Disposal of Capital Assets	(16,481)	(2,072)	1,345	5,100	1,318
Interest on Capital Asset-Related Debt	(7,146)	(7,585)	(1,938)	-	(21,728)
Other Nonoperating Expenses	(8,712)	(5,019)	(53,639)	(591,684)	(108,539)
Net Nonoperating Revenues (Expenses)	**972,549**	**919,254**	**147,515**	**(585,422)**	**(63,978)**
Income (Loss) Before Other Revenues	**(20,525)**	**(4,409)**	**99,735**	**10,090**	**129,220**
State Capital Appropriations	59,430	33,076	-	-	-
Capital Grants, Contracts, and Donations	23,422	27,594	-	-	-
Additions to Permanent Endowments	-	-	76,868	-	-
Total Other Revenues	**82,852**	**60,670**	**76,868**	**-**	**-**
Increase in Net Position	**62,327**	**56,261**	**176,603**	**10,090**	**129,220**
Net Position, Beginning of Year	**2,376,292**	**2,320,031**	**1,972,476**	**227,847**	**1,284,550**
Adjustment to Beginning Net Position (Note 2)	-	-	(33,346)	3,158	-
Adjusted Net Position, Beginning of Year, as Restated	**2,376,292**	**2,320,031**	**1,939,130**	**231,005**	**1,284,550**
Net Position, End of Year	**$ 2,438,619**	**$ 2,376,292**	**$ 2,115,733**	**$ 241,095**	**$ 1,413,770**

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flows

for the Fiscal Year Ended June 30, 2017 (amounts expressed in thousands)

	University of Florida 2016-17	University of Florida 2015-16
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and Fees, Net	$ 432,478	$ 408,000
Grants and Contracts	1,276,968	1,225,608
Sales and Services of Auxiliary Enterprises	130,394	129,456
Sales and Services of Educational Departments	56,596	56,515
Repayment of Loans and Notes Receivable from Students	7,707	6,365
Interest on Loans Receivable	986	1,122
Other Operating Receipts	8,992	2,758
Payments to Employees	(1,929,267)	(1,841,227)
Payments to Suppliers for Goods and Services	(612,065)	(608,830)
Payments to Students for Scholarships and Fellowships	(106,891)	(100,159)
Loans Issued to Students	(6,896)	(6,692)
Net Cash Used by Operating Activities	**(740,998)**	**(727,084)**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Noncapital Appropriations	712,106	674,086
Federal and State Financial Aid	116,963	115,948
Noncapital Grants, Contracts, and Gifts	116,665	136,928
Direct Loan Program Receipts	258,360	255,279
Direct Loan Program Disbursements	(258,369)	(255,270)
Net Change in Funds Held for Others	(3,284)	(8,667)
Other Nonoperating Receipts	568	567
Other Nonoperating Disbursements	(7,839)	(4,405)
Net Cash Provided by Noncapital Financing Activities	**935,170**	**914,466**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
State Capital Appropriations	26,018	55,691
Capital Grants, Contracts, and Donations	23,392	27,977
Proceeds from Sales of Capital Assets	605	1,717
Other Receipts for Capital Projects	3,660	2,854
Purchase or Construction of Capital Assets	(179,220)	(207,523)
Principal Paid on Capital Debt and Leases	(27,082)	(11,878)
Interest Paid on Capital Debt and Leases	(7,123)	(7,585)
Net Cash Used by Capital and Related Financing Activities	**(159,750)**	**(138,747)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of Investments	1,667,452	1,718,279
Purchase of Investments	(1,730,107)	(1,782,829)
Investment Income	34,655	14,018
Net Cash Used by Investing Activities	**(28,000)**	**(50,532)**
Net Increase (Decrease) in Cash and Cash Equivalents	**6,422**	**(1,897)**
Cash and Cash Equivalents, Beginning of Year	**403**	**2,300**
Cash and Cash Equivalents, End of Year	**$ 6,825**	**$ 403**
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Loss	$ (993,074)	$ (923,663)
Adjustments to Reconcile Operating Loss to Net		
Cash Used by Operating Activities:		
Depreciation Expense	137,484	132,523
Change in Assets, Liabilities, Deferred Outflows of Resources, and Deferred Inflows of Resources:		
Receivables, Net	3,766	(4,702)
Due From Component Units	(1,373)	6,629
Inventories	191	132
Other Assets	278	296
Accounts Payable	11,525	7,360
Salaries and Wages Payable	5,991	12,600
Unearned Revenue	7,127	13,371
Deposits Held in Custody	21	(477)
Other Postemployment Benefits Payable	49,168	50,167
Compensated Absences Payable	1,356	(11,970)
Net Pension Liability	211,299	129,119
Pension Deferred Outflows	(128,296)	(31,958)
Pension Deferred Inflows	(46,461)	(106,511)
NET CASH USED BY OPERATING ACTIVITIES	**$ (740,998)**	**$ (727,084)**

SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND CAPITAL AND RELATED FINANCING ACTIVITIES

The following items are recognized on the Statement of Net Position or the Statement of Revenues, Expenses, and Changes in Net Position, but are not cash transactions for the Statement of Cash Flows:

Unrealized gain on investments	$ 21,100
Acquisition of equipment under installment purchase agreements	$ 692
Loss on disposal of capital assets	$ (16,481)
Loss on refunded 2005A Housing Bonds will be amortized over the life of the 2016A refunding Housing Bonds	$ (95)

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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 Florida 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 discretely presented in the State's Comprehensive Annual Financial Report.

B. DISCRETELY PRESENTED COMPONENT UNITS

Based on the application of the criteria for determining component units, certain affiliated organizations are required to be included within the University reporting entity as discretely presented component units because of the significance of their relationship with the University. These organizations are legally separate from the University and are governed by separate boards. The University further categorizes its component units as Direct-Support Organizations, Health Science Center Affiliates, and Shands 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 is presented in Note 19.

However, financial activities of certain component units are not included in the University's financial statements and are denoted below with an asterisk (*). The total assets and operating revenues related to these component units are $32 million and $19 million, respectively. These amounts represent approximately one percent of the total aggregate component units' assets and operating revenues.

C. 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 discretely presented in the financial statements of the University. 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. Their financial statements include the activities of the University of Florida Alumni Association, Inc.

- **The University Athletic Association, Inc.,** conducts various inter-collegiate athletic programs for and on behalf of the University.

- **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.

- **GatorCare Health Management Corporation** coordinates and facilitates the management of the self-insured health insurance plan of the University and its participating affiliated employers, collecting and paying employer and employee premiums.

- **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.

- **University of Florida Development Corporation** develops and maintains Innovation Square where the University-owned Florida Innovation Hub is located.

- **Gator Boosters, Inc.,** solicits funds for the benefit of the University athletic programs.

- **Citrus Research and Development Foundation, Inc.,** advances disease and production research and product development activities to ensure the survival and competitiveness of Florida's citrus growers through innovation.

- **University of Florida Alumni Association, Inc.,** supports activities of the alumni of the University of Florida. Its financial transactions are reflected in the financial statements of the University of Florida Foundation, Inc.

- **The University of Florida Law Center Association, Inc.,*** promotes, supports, and improves legal education, legal research, the legal profession, and the administration of justice; and assists the Levin College of Law in the development and maintenance of a law center.

- **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.

- **University of Florida Leadership and Education Foundation, Inc.,*** furthers agriculture and natural resource education and related activities, promotes agriculture and natural resources leadership, and makes contributions to and confer benefits upon the University.

- **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.

- **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.

- **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.

- **UF Historic St. Augustine, Inc.,*** ensures the long-term preservation and interpretation of State-owned historic properties in St. Augustine.

- **Southwest Florida Research and Education Foundation, Inc.,*** provides research and educational support to the University of Florida Southwest Florida Research and Education Center.

- **Cattle Enhancement Board, Inc.,*** promotes research, education and extension at, or for the benefit of, the Institute of Food and Agricultural Sciences at the University of Florida on issues related to the Florida cattle industry, including, but not limited to production, disease prevention, forage development, and genetic research and technology.

D. HEALTH SCIENCE CENTER AFFILIATES

The corporations listed below, except University of Florida Jacksonville Healthcare, Inc., and Faculty Clinic, Inc., 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, veterinary, 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 University of Florida J. Hillis Miller Health Science Center (JHMHC) and are component units of the University of Florida.

■ **Florida Clinical Practice Association, Inc.,** bills and collects clinical professional fees to support the educational, research, and service programs of the University of Florida College of Medicine.

■ **University of Florida Jacksonville Physicians, Inc.,** bills and collects professional fees from the clinical practice of the University of Florida physicians in order to fund and promote the educational, clinical and research missions, and support the clinical activities, of the Jacksonville campus of the College of Medicine.

■ **Faculty Associates, Inc.,** bills and collects clinical professional fees to support the educational, research, and service programs of the University of Florida College of Dentistry.

■ **Florida Veterinary Medicine Faculty Association, Inc.,** bills and collects clinical professional fees to support the educational, research, and service programs of the University of Florida College of Veterinary Medicine.

■ **University of Florida College of Pharmacy Faculty Practice Association, Inc.,** performs billing and collection of fees to support the educational, research, and service programs of the University of Florida College of Pharmacy.

■ **Faculty Clinic, Inc.,*** a not-for-profit, tax-exempt corporation operates primarily as a facility management company that leases space to Shands Jacksonville and University of Florida Jacksonville Physicians, Inc.

■ **University of Florida College of Nursing Faculty Practice Association, Inc.,*** performs billing and collection of professional fees to support the educational, research, and service programs of the University of Florida College of Nursing.

■ **Florida Health Professions Association, Inc.,*** performs billing and collection of clinical professional fees to support the educational, research, and service programs of the University of Florida College of Public Health and Health Professions.

E. 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 with the State Board of Education as of July 1, 1980, as subsequently restated and amended, 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 position of Shands reverts 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 of Florida Self-Insurance Program** (the Program) was created by the Florida Board of Regents, succeeded by the Florida Board of Governors, pursuant to Section 1004.24, Florida Statutes. The Program provides comprehensive general liability and professional liability (malpractice) coverage for the University of Florida and affiliated teaching hospitals that are providing education in healthcare or veterinary services.

■ **University of Florida Healthcare Education Insurance Company** (HEIC) was created on September 1, 1994, as a self-insurance mechanism created pursuant to Section 1004.24, Florida Statutes. HEIC writes coverage for the participants in the Self-Insurance Program (the Program) for loss exposure above the Program's retention. HEIC obtains excess loss reinsurance coverage from commercial insurance carriers for certain layers of exposure.

F. BASIS OF PRESENTATION

The University's accounting policies conform with accounting principles generally accepted in the United States of America applicable to public colleges and universities as prescribed by GASB. The National Association of College and University Business Officers (NACUBO) also provides the University with recommendations prescribed in accordance with generally accepted accounting principles promulgated by GASB and the Financial Accounting Standards Board (FASB). GASB allows public universities various reporting options. The University 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 Position
  2. Statement of Revenues, Expenses, and Changes in Net Position
  3. Statement of Cash Flows
  4. Notes to the Financial Statements
- Other Required Supplementary Information

G. BASIS OF ACCOUNTING

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

The University's component units use the economic resources measurement focus and accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred. Twenty-one component units follow GASB standards of accounting and financial reporting. Nine component units (University of Florida Foundation, Inc., Florida Foundation Seed Producers, Inc., Southwest Florida Research and Education Foundation, Inc., Citrus Research and Education Foundation, Inc., Citrus Research and Development Foundation, Inc., Treasure Coast Agricultural Research Foundation, Inc., University of Florida Alumni Association, Inc., Cattle Enhancement Board, Inc., and University of Florida Investment Corporation) follow FASB standards of accounting and financial reporting for not-for- profit organizations.

Significant interdepartmental sales between auxiliary service departments and other institutional departments have been eliminated from revenues and expenses for reporting purposes.

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

The Statement of Net Position is presented in a classified format to distinguish between current and noncurrent assets and liabilities. When both restricted and unrestricted resources are available to fund certain programs, it is the University's policy to first apply the restricted resources to such programs, followed by the use of the unrestricted resources.

The Statement of Revenues, Expenses, and Changes in Net Position is presented by major sources and is reported net of tuition 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 payments 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.*

H. 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.

I. INVESTMENTS AND FAIR VALUE MEASUREMENT

The University categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The University reports certain investments at net asset value as allowed per GASB Statement No. 72, *Fair Value Measurement and Application*.

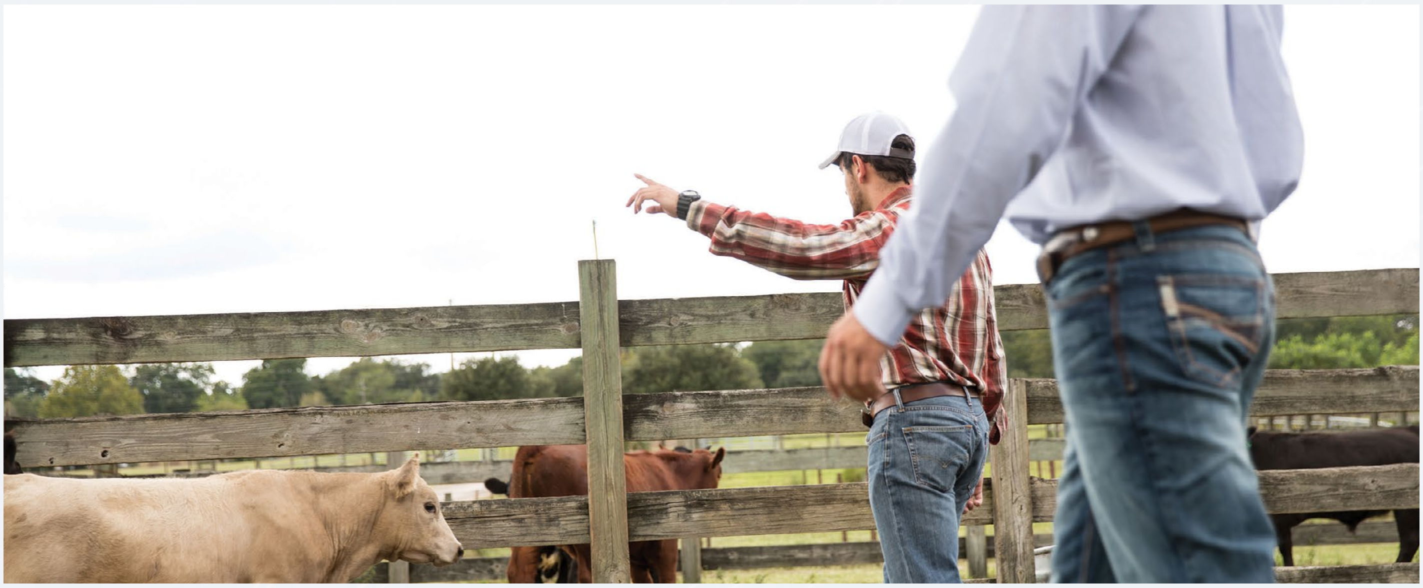
J. CAPITAL ASSETS

University capital assets consist of land, construction in progress, works of art and historical treasures, buildings, infrastructure and other improvements, furniture and equipment, library resources, property under capital lease and leasehold improvements, 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, $5,000 for tangible personal property, and $250 for library resources. 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 the entire amount if the costs are 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
- Library Resources – 10 years
- Property Under Capital Lease and Leasehold Improvements – 10 to 50 years
- Computer Software – 5 years

K. NONCURRENT LIABILITIES

Noncurrent liabilities include principal amounts of capital improvement debt payable, loans and notes payable, installment purchase agreements payable, capital leases payable, compensated absences payable, other postemployment benefits payable, net pension liabilities, 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 losses on refunding. The University amortizes debt premiums and discounts over



the life of the debt using the straight-line method. Losses on refunding are amortized over the life of the old debt or new debt (whichever is shorter) using the straight-line method.

L. PENSIONS

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

2. Adjustments to Beginning Net Position

University of Florida Foundation, Inc. elected to no longer capitalize the permanent collections of the Samuel P. Harn Museum of Art, effective July 1, 2016, as a result of the Museum's accreditation review by the American Alliance of Museums (AAM).

Additionally, the University is presenting the financial activity of both Florida Foundation Seed Producers, Inc. and University of Florida College of Pharmacy Faculty Practice Association, Inc. discretely in the University's financial statements. These component units were not discretely presented in the 2015-16 fiscal year.

Table 1 summarizes the adjustments to beginning net position reported in the component units' Statement of Revenues, Expenses, and Changes in Net Position.

Table 1. Adjustments to Beginning Net Position - Component Units

Description	Direct-Support Organizations	Health Science Center Affiliates
Florida Foundation Seed Producers, Inc.	$ 6,581,039	$ -
University of Florida Foundation, Inc.	(39,927,071)	-
University of Florida College of Pharmacy Faculty Practice Association, Inc.	-	3,157,638
Total Adjustments to Beginning Net Position	**$ (33,346,032)**	**$ 3,157,638**

3. Investments

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

by the University's Board of Trustees, as authorized by law. Investments set aside to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital assets are classified as restricted. Investments of the University and its component units at June 30, 2017, are reported at fair value and shown in Tables 2 through 5.

Table 2. University Investments

		Fair Value Measurements Using		
Investments by Fair Value Level	**Total**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
External Investment Pool:				
State Treasury Special Purpose Investment Account	$ 881,138,515	$ -	$ -	$ 881,138,515
State Board of Administration Debt Service Accounts	1,255,509	1,255,509	-	-
Total Investments by Fair Value Level	882,394,024	$ 1,255,509	$ -	$ 881,138,515
Investments Measured at the Net Asset Value (NAV)				
Private Equity Funds	736,284,385			
Total University Investments	**$ 1,618,678,409**			

Table 3. University Investments Measured at the NAV

Investments Measured at the NAV	**Fair Value**	**Unfunded Commitments**	**Redemption Frequency (if Currently Eligible)**	**Redemption Notice Period**
Private Equity Funds	**$ 736,284,385**	**$ -**	N/A	N/A

- **Private Equity Funds -** This category includes investments in several limited partnership funds that invest in equity securities and debt of private companies.

Table 4. Component Unit Investments

Investments by Fair Value Level	Total	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
External Investment Pool:				
State Treasury Special Purpose Investment Account	$ 213,568,985	$ -	$ -	$ 213,568,985
Certificates of Deposit	603,447	603,447	-	-
Commercial Paper	5,143,417	5,143,417	-	-
US Guaranteed Obligations	4,147,676	2,280,240	1,867,436	-
Federal Agency Obligations	4,940,685	-	4,940,685	-
Domestic Bonds and Notes	113,853,873	46,173,000	67,680,873	-
International Bonds and Notes	1,959,105	-	1,959,105	-
Domestic Stock	1,287,587	1,287,587	-	-
International Stock	99,808	99,808	-	-
Bond Mutual Funds	146,729,420	103,252,894	43,476,526	-
Equity Mutual Funds	135,301,469	82,748,568	52,552,901	-
Other Investments	36,164,880	15,753,272	20,372,926	38,682
Private Equity Funds	15,890	-	15,890	-
Money Market Funds	9,400,482	9,400,482	-	-
Total Investments by Fair Value Level	673,216,724	$ 266,742,715	$ 192,866,342	$ 213,607,667
Investments Measured at the Net Asset Value (NAV)				
Domestic Equity	10,615			
International Equity	53,602			
Hedge Funds	5,627,598			
Private Equity Funds	2,121,432,943			
Total Investments Measured at the NAV	2,127,124,758			
Total Investments Measured at Fair Value	2,800,341,482			
Other				
Commercial Paper	6,431,000			
Money Market Funds	5,469,000			
Cash Surrender Value of Life Insurance Policy	467,974			
Cash Collateral on Deposit with Swap Counterparty	29,668,000			
Real Estate Investments	4,246,599			
Other Investments	10,794,488			
Total Other Investments	57,077,061			
Total Component Unit Investments	**$ 2,857,418,543**			

Table 5. Component Unit Investments Measured at the NAV

Investments Measured at the NAV	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Domestic Equity	$ 10,615	$ -	Illiquid	N/A
International Equity	53,602	-	Illiquid	N/A
Hedge Funds	5,627,598	-	Quarterly	45 Days
Private Equity Funds	2,121,432,943	207,546,892	Monthly	30-45 Days
Total Component Unit Investments	**$ 2,127,124,758**	**$ 207,546,892**		

- **Domestic equity** – This category includes equity interest in a publicly traded domestic company focused on next generation biopharmaceutical therapeutics.

- **International equity** - This category includes an investment in a foreign based publicly traded company focused on providing law enforcement with new tools and technology.

- **Hedge Funds** – This category includes an investment in a hedge fund in which the fund manager is authorized to invest in a broad sprectrum of securities that include, but are not limited to the following: equity and debt securities, currency, commodities, foreign debt, options, futures, and swaps.

- **Private Equity Funds** - This category includes investments in several limited partnership funds that invest in equity securities and debt of private companies.

A. EXTERNAL INVESTMENT POOLS

The University and its discretely presented component units (see Note 1) reported investments at fair value totaling $881,138,515 and $213,568,985, respectively, at June 30, 2017, in the State Treasury Special Purpose Investment Account (SPIA) investment pool, representing ownership of a share of the pool, not the underlying securities. Pooled investments with the State Treasury are not registered with the Securities and Exchange Commission. Oversight of the pooled investments with the State Treasury is provided by the Treasury Investment Committee per Section 17.575, Florida Statutes. The authorized investment types are set forth in Section 17.57, Florida Statutes. The SPIA investment pool carried a credit rating of A+f by Standard & Poor's and had an effective duration of 2.8 years and fair value factor of 0.9923 at June 30, 2017. Participants contribute to the SPIA investment pool on a dollar basis. These funds are commingled and a fair value of the pool is determined from the individual values of the securities. The fair value of the securities is summed and a total pool fair value is determined. A fair value factor is calculated by dividing the pool's total fair value by the pool participant's total cash balances. The fair value factor is the ratio used to determine the fair value of an individual participant's pool balance. The University relies on policies developed by the State Treasury for managing interest rate risk or credit risk for this investment pool. Disclosures for the State Treasury investment pool are included in the notes to the financial statements of the State's Comprehensive Annual Financial Report.

B. STATE BOARD OF ADMINISTRATION DEBT SERVICE ACCOUNTS

The University reported investments at fair value totaling $1,255,509 at June 30, 2017, in the State Board of Administration (SBA) Debt Service Accounts. These investments are used to make debt service payments on bonds issued by the State Board of Education for the benefit of the University. The University's investments consist of United States Treasury securities, with maturity dates of six months or less and are reported at fair value. The University relies on policies developed by the SBA for managing interest rate risk and credit risk for these accounts. Disclosures for the Debt Service Accounts are included in the notes to 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, and mutual funds. For the University, the majority of the other investments are private equity funds managed by the University of Florida Investment Corporation (UFICO). For the University's discretely presented component units, other investments are those reported primarily by the University of Florida Foundation, Inc., The University Athletic Association, Inc., Florida Clinical Practice Association, Inc., Shands Teaching Hospital and Clinics, Inc., Shands Jacksonville HealthCare, Inc., and the University of Florida Self-Insurance Program. 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. Investments of the University's component units (excluding those reporting under FASB standards) in debt securities, bonds and notes, and bond mutual funds, and their future maturities at June 30, 2017, are shown in Table 6.

- **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. The private equity funds are unrated. At June 30, 2017, the University's component units (excluding those reporting under FASB standards) had bonds and notes and bond mutual funds, with quality ratings by nationally recognized rating agencies (e.g., Moody's Investors Service), as shown in Table 7.

- **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.

4. 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, 2017, are summarized in Table 8.

Table 8. Accounts Receivable

Description		
Grants and Contracts	$	66,343,726
Sales and Services of Auxiliary Enterprises		4,878,933
Student Tuition and Fees		8,017,771
Sales and Services of Educational Departments		998,410
Interest		1,685,659
Total Accounts Receivable, Net	**$**	**81,924,499**

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.

Table 6. Component Units Debt Investment Maturities

			Investment Maturities (in years)							
Types of Investments		**Fair Value**		**Less than 1**		**1-5**		**6-10**		**More than 10**
US Government and Federally-Guaranteed Obligations	$	3,685,642	$	-	$	2,280,240	$	-	$	1,405,402
Federal Agency Obligations		4,940,685		2,827,745		2,112,940		-		-
Bonds and Notes		115,657,978		29,581,835		84,795,975		1,280,168		-
Bond Mutual Funds		135,771,272		3,763,471		34,328,983		97,678,818		-
Total	**$**	**260,055,577**	**$**	**36,173,051**	**$**	**123,518,138**	**$**	**98,958,986**	**$**	**1,405,402**

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	$	4,940,685	$	2,112,940	$	2,827,745	$	-	$	-
Bonds and Notes		115,657,978		7,511,759		1,908,753		5,033,700		101,203,766
Money Market Funds		14,869,482		14,819,482		-		-		50,000
Bond Mutual Funds		135,771,272		49,282,881		51,621,574		16,481,360		18,385,457
Total	**$**	**271,239,417**	**$**	**73,727,062**	**$**	**56,358,072**	**$**	**21,515,060**	**$**	**119,639,223**

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 $8,372,433, which is 35% of total related accounts receivable. Loans and notes receivable are reported net of an allowance of $4,091,032, which is 9.2% 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.

5. Due From State

This amount consists of $76,101,652 of Public Education Capital Outlay and Capital Improvement Fee Trust Fund allocations due from the State to the University for construction of University facilities.

6. Due From and To Component Units/University

Component units' due from and due to amounts include receivables and payables between the various component unit columns. Some component units are not presented (see Note 1). Accordingly, amounts reported by the University as due from and to component units on the Statement of Net Position may not agree with amounts reported by the component units as due from and to the University.

7. Capital Assets

Capital assets activity for the fiscal year ended June 30, 2017, is presented in Table 9.

Table 9. Capital Assets

Description	Beginning Balance	Additions	Reductions	Ending Balance
Nondepreciable Capital Assets:				
Land	$ 12,467,035	$ -	$ -	$ 12,467,035
Construction in Progress	129,530,267	133,169,696	209,340,931	53,359,032
Works of Art and Historical Treasures	4,284,174	71,124	-	4,355,298
Total Nondepreciable Capital Assets	**146,281,476**	**133,240,820**	**209,340,931**	**70,181,365**
Depreciable Capital Assets:				
Buildings	2,581,557,638	201,481,409	22,492,583	2,760,546,464
Infrastructure and Other Improvements	124,158,919	7,248,796	4,733,054	126,674,661
Furniture and Equipment	597,097,977	42,579,162	27,100,279	612,576,860
Library Resources	332,727,861	9,237,235	2,149,253	339,815,843
Property Under Capital Lease and Leasehold Improvements	16,887,002	5,198,443	-	22,085,445
Computer Software	24,533,000	-	-	24,533,000
Other Capital Assets	1,031,720	-	63,725	967,995
Total Depreciable Capital Assets	3,677,994,117	265,745,045	56,538,894	3,887,200,268
Less Accumulated Depreciation:				
Buildings	1,168,759,690	82,844,962	6,995,163	1,244,609,489
Infrastructure and Other Improvements	74,262,573	4,112,742	60,783	78,314,532
Furniture and Equipment	404,303,855	37,122,344	23,463,143	417,963,056
Library Resources	282,619,185	11,443,036	2,149,253	291,912,968
Property Under Capital Lease and Leasehold Improvements	5,485,775	1,763,312	(8,043)	7,257,130
Computer Software	24,533,000	-	-	24,533,000
Other Capital Assets	352,510	197,849	10,350	540,009
Total Accumulated Depreciation	1,960,316,588	137,484,245	32,670,649	2,065,130,184
Total Depreciable Capital Assets, Net	**1,717,677,529**	**128,260,800**	**23,868,245**	**1,822,070,084**
Total Capital Assets, Net	**$ 1,863,959,005**	**$ 261,501,620**	**$ 233,209,176**	**$ 1,892,251,449**

8. Museum and Art Collections

The Florida Museum of Natural History, which is the official state-sponsored and chartered natural history museum and part of the University, maintains a depository of biological, paleontological, archaeological, and ethnographic materials. The Museum's collections contain over 40 million specimens and objects, 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 over 11,000 works of art. In accordance with professional practice among the nation's art museums, and in compliance with museum accreditation standards, the University does not place a dollar value on these items.

9. Deferred Outflows/Inflows of Resources

Certain changes in the University's proportionate share of the net pension liabilities of the cost-sharing multiple-employer Florida Retirement System and Health Insurance Subsidy defined benefit plans are reported as deferred outflows and inflows of pension resources. These include changes in actuarial assumptions and other inputs used to measure the pension liabilities, differences between actual and expected experience in the measurement of the liabilities, the net difference between projected and actual earnings on pension plan investments as well as changes in the University's proportion of the collective net pension liabilities since the prior measurement date, and changes between the University's contributions and its proportionate share of contributions. In addition, University contributions to the pension plan subsequent to the measurement date for the collective net pension liabilities are reported as deferred outflows. Total deferred outflows of pension resources were $269,061,720 and deferred inflows of pension resources were $7,329,620 for the year ended June 30, 2017. Note 13 includes a complete discussion of the University's defined benefit pension plans.

10. Unearned Revenue

Unearned Revenue includes amounts received prior to the end of the fiscal year but related to subsequent accounting periods. Unearned Revenue as of June 30, 2017, is summarized in Table 10.

Table 10. Unearned Revenue

Description	
Grants and Contracts	$ 42,641,151
Auxiliary Enterprises	14,908,322
Student Tuition and Fees	6,264,860
Total Unearned Revenue	**$ 63,814,333**

11. Long-Term Liabilities

Long-term liabilities of the University at June 30, 2017, include capital improvement debt payable, loans and notes payable, installment purchase agreements payable, capital leases payable, compensated absences payable, other postemployment benefits payable, net pension liability, and other noncurrent liabilities. Long-term liability activity for the fiscal year ended June 30, 2017, is presented in Table 11.

Table 11. Long-Term Liabilities

Description	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Capital Asset-Related Debt:					
Capital Improvement Debt Payable	$ 158,102,692	$ 20,116,200	$ 30,858,682	$ 147,360,210	$ 8,917,000
Loans and Notes Payable	10,664,597	-	551,318	10,113,279	572,131
Installment Purchase Agreements Payable	4,424,016	691,789	1,987,094	3,128,711	1,509,480
Capital Leases Payable	2,663,968	-	155,341	2,508,627	165,360
Total Capital Asset-Related Debt	175,855,273	20,807,989	33,552,435	163,110,827	11,163,971
Other Long-Term Liabilities:					
Compensated Absences Payable	117,310,651	14,900,311	13,544,855	118,666,107	13,469,483
Other Postemployment Benefits Payable	267,706,000	63,463,000	14,295,000	316,874,000	-
Net Pension Liability	353,745,495	359,395,020	148,095,790	565,044,725	5,281,910
Other Noncurrent Liabilities	17,954,041	-	165,778	17,788,263	-
Total Long-Term Liabilities	**$ 932,571,460**	**$ 458,566,320**	**$ 209,653,858**	**$ 1,181,483,922**	**$ 29,915,364**

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 cost revenues received by the College of Medicine. Pledged revenues are equal to the remaining debt service requirements to maturity for the capital improvement debt.

On January 6, 2017, the Florida Board of Governors, on behalf of the University, issued $19,390,000 of University of Florida Dormitory Revenue Refunding Bonds, Series 2016A, with interest rates ranging from 3.000% to 5.000% to advance refund the $20,705,000 principal amount of the University of Florida Housing Revenue Bonds, Series 2005A, maturing on or before June 30, 2030, with interest rates from 4.500% to 5.125%. 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 Position. As a result of the refunding, the University reduced its debt service requirement by $3,209,386 over the remaining life of the Series 2005A Bonds and obtained an economic gain (difference between the present value of the debt service payments on the old and new debt) of $2,609,657 as of the Series 2016A issuance date.

A summary of the University's capital improvement debt payable at June 30, 2017, is presented in Table 12.

Annual requirements to amortize all capital improvement debt outstanding as of June 30, 2017, are presented in Table 13.

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:					
2011A Housing	$ 16,350,000	$ 8,875,000	$ 1,775,106	3.000 to 4.000%	2028
2012A Housing	26,500,000	21,275,000	5,813,144	3.000 to 4.000%	2031
2013A Housing	24,805,000	21,230,000	7,122,119	3.000 to 5.000%	2033
2016A Housing	19,390,000	18,375,000	5,677,800	3.000 to 5.000%	2030
Total Student Housing Debt	**87,045,000**	**69,755,000**	**20,388,169**		
Parking Garage Auxiliary Debt:					
2007A Parking Garage	20,770,000	13,375,000	3,341,229	3.750 to 4.375%	2028
Total Parking Garage Debt	**20,770,000**	**13,375,000**	**3,341,229**		
Other University of Florida Revenue Bonds:					
2011 Clinical Translational Research Building	29,838,000	22,933,000	7,482,594	4.433%	2030
2013 Student Activity	41,540,000	36,265,000	15,463,488	4.000 to 5.000%	2033
Total Other University of Florida Revenue Bonds	**71,378,000**	**59,198,000**	**22,946,082**		
Plus: Unamortized Premiums	-	6,264,187	-		
Less: Unamortized Discounts	-	(131,146)	-		
Less: Unamortized Refunding Losses	-	(1,100,831)	-		
Total Capital Improvement Debt	**$ 179,193,000**	**$ 147,360,210**	**$ 46,675,480**		

Table 13. Capital Improvement Debt Payable - Principal & Interest

Fiscal Year Ending June 30	Principal	Interest	Total
2018	$ 8,917,000	$ 5,997,731	$ 14,914,731
2019	9,302,000	5,593,825	14,895,825
2020	8,802,000	5,186,970	13,988,970
2021	9,202,000	4,788,174	13,990,174
2022	9,619,000	4,368,670	13,987,670
2023-2027	51,102,000	15,348,200	66,450,200
2028-2032	40,849,000	5,193,254	46,042,254
2033	4,535,000	198,656	4,733,656
Total Principal & Interest	**142,328,000**	**46,675,480**	**189,003,480**
Plus: Unamortized Premiums	6,264,187	-	6,264,187
Less: Unamortized Discounts	(131,146)	-	(131,146)
Less: Unamortized Refunding Losses	(1,100,831)	-	(1,100,831)
Total	**$ 147,360,210**	**$ 46,675,480**	**$ 194,035,690**

B. LOANS AND NOTES PAYABLE

On August 30, 2013, the University borrowed $6,472,538 at an interest rate of 2.33% to finance the cost of energy savings contracts and renovation of the J. Wayne Reitz Union. The principal and interest cost is expected to be met by cost savings of the newer system. The note matures on August 31, 2029, and principal and interest payments are made annually. On June 17, 2013, the University borrowed $5,000,000 at an interest rate of 3.58% for a similar renovation at Willard M. Fifield Hall. The note matures on November 1, 2033, and principal and interest payments are made annually. Annual requirements to amortize the two outstanding notes as of June 30, 2017, are presented in Table 14.

Table 14. Loans and Notes Payable – Principal & Interest

Fiscal Year Ending June 30	Principal	Interest	Total
2018	$ 572,131	$ 288,408	$ 860,539
2019	597,825	272,820	870,645
2020	569,277	256,427	825,704
2021	593,591	241,174	834,765
2022	618,927	225,171	844,098
2023-2027	3,513,457	857,120	4,370,577
2028-2032	2,794,041	371,882	3,165,923
2033-2034	854,030	46,364	900,394
Total	**$ 10,113,279**	**$ 2,559,366**	**$ 12,672,645**

C. INSTALLMENT PURCHASE AGREEMENTS PAYABLE

The University has entered into several installment purchase agreements for the purchase of equipment with original cost bases totaling $7,531,743. The stated interest rates ranged from 0.00% to 5.62%. Future minimum payments remaining under installment purchase agreements as of June 30, 2017, are presented in Table 15.

Table 15. Installment Purchase Agreements Payable – Principal & Interest

Fiscal Year Ending June 30	Principal	Interest	Total
2018	$ 1,509,480	$ 46,708	$ 1,556,188
2019	1,117,563	18,098	1,135,661
2020	454,068	3,418	457,486
2021	47,600	-	47,600
Total Minimum Payments	**$ 3,128,711**	**$ 68,224**	**$ 3,196,935**

D. CAPITAL LEASES PAYABLE

The University 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 located near the Health Science Center Administrative Offices for a period of thirty years beginning July 1, 1994. Lease payments of $100,000 annually are due each July 1. Lease payments from the University to the Foundation 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 GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.* 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 the Property Under Capital Lease and Leasehold Improvements, was recorded at a cost of $3,000,000.

The University 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, which began on 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 GASB Statement No. 62. 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 the Property Under Capital Lease and Leasehold Improvements, was recorded at a cost of $6,815,002. A summary of pertinent information related to the two capital leases is presented in Table 16.

Table 16. Capital Leases Payable

Capital Leases	Interest Rate	Original Balance	Outstanding Balance
Garage No. 06 (607 spaces)	6.45%	$ 1,382,470	$ 549,419
Garage No. 10 (800 spaces)	6.45%	2,981,939	1,959,208
Total		**$ 4,364,409**	**$ 2,508,627**

Future minimum payments under the capital lease agreements and the present value of the minimum payments as of June 30, 2017, are presented in Table 17.

Table 17. Capital Leases Payable - Principal & Interest

Fiscal Year Ending June 30	Principal	Interest	Total
2018	$ 165,360	$ 161,806	$ 327,166
2019	176,026	151,141	327,167
2020	187,380	139,787	327,167
2021	199,466	127,701	327,167
2022	212,331	114,835	327,166
2023-2027	965,865	369,969	1,335,834
2028-2030	602,199	79,302	681,501
Total	**$ 2,508,627**	**$ 1,144,541**	**$ 3,653,168**

E. 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 in accordance with its policy regarding leave payment upon separation from employment. However, state noncapital appropriations fund only the portion of accrued leave that is used or paid in the current fiscal year. Although the University expects the liability to be funded primarily from future appropriations, generally accepted accounting principles do not permit the recording of a receivable in anticipation of future appropriations.

At June 30, 2017, the estimated liability for compensated absences, which includes the University's share of the Florida Retirement System and FICA contributions, totaled $118,666,107. 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.

F. OTHER POSTEMPLOYMENT BENEFITS PAYABLE

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

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

■ **Funding Policy** – Plan benefits are pursuant to provisions of Section 112.0801, Florida Statutes, and benefits and contributions can be amended by the Florida Legislature. The State has not advance-funded Other Postemployment Benefit (OPEB) costs or the net OPEB obligation. Premiums necessary for funding the Plan each year on a pay-as-you-go basis are established by the Governor's recommended budget and the General Appropriations Act. For the 2016-17 fiscal year, 2,722 retirees received postemployment healthcare benefits. The University provided required contributions of $14,295,000 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 $18,840,000, which represents 1.7% of covered payroll.

■ **Annual OPEB Cost and Net OPEB Obligation** – The University's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. Table 18 shows the University's annual OPEB cost for the fiscal year, the amount actually contributed to the Plan, and the changes in the University's net OPEB obligation.

Table 18. Annual OPEB Cost and Net OPEB Obligation

Description	
Normal Cost (service cost for one year)	$ 30,493,000
Amortization of Unfunded Actuarial Accrued Liability	29,744,000
Interest on Normal Cost and Amortization	2,410,000
Annual Required Contribution	**62,647,000**
Interest on Net OPEB Obligation	10,708,000
Adjustment to Annual Required Contribution	(9,892,000)
Annual OPEB Cost (Expense)	**63,463,000**
Contribution Toward the OPEB Cost	(14,295,000)
Increase in Net OPEB Obligation	**49,168,000**
Net OPEB Obligation, Beginning of Year	267,706,000
Net OPEB Obligation, End of Year	**$ 316,874,000**

The University's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation as of June 30, 2017, and for the two preceding fiscal years, are presented in Table 19.

Table 19. Annual OPEB Cost, Percentage Contributed, and Net Obligation

Fiscal Year	**Annual OPEB Cost**	**Percentage of Annual OPEB Cost Contributed**	**Net OPEB Obligation**
2014-15	$ 43,657,000	15.6%	$ 217,539,000
2015-16	$ 62,582,000	19.8%	$ 267,706,000
2016-17	$ 63,463,000	22.5%	$ 316,874,000

■ **Funded Status and Funding Progress** – As of July 1, 2016, the interim actuarial valuation date, the actuarial accrued liability for benefits was $805,011,000 and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability of $805,011,000 and a funded ratio of 0%. The covered payroll (annual payroll of active participating employees) was $1,103,905,001 for the 2016-17 fiscal year, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 72.9%.

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 interim OPEB actuarial valuation as of July 1, 2016, used the entry-age cost actuarial method to estimate the actuarial accrued liability as of June 30, 2017, and the University's estimated 2016-17 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 4.00% rate of return on invested assets. The actuarial assumptions also included a payroll growth rate of 3.25% per year and an inflation rate of 3.00%. Healthcare trend rates were 7.50%, 8.80%, and 9.70% for the first three years, respectively, for all retirees in the Preferred Provider Organization (PPO) Plan and were 5.70%, 7.00%, and 7.80% for the first three years for all retirees in the Health Maintenance Organization (HMO) Plan. The PPO and HMO healthcare trend rates both grade down to an ultimate rate of 3.90% over 60 years. The unfunded actuarial accrued liability is being amortized over 30 years using the level percentage of projected payroll on an open basis.

12. 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 $128,917,478 for the fiscal year ended June 30, 2017.

13. Retirement Plans

A. DEFINED BENEFIT PENSION PLANS

The University follows GASB Statement No. 68, *Accounting and Financial Reporting for Pensions,* for reporting the employer's proportionate share of the net pension liabilities for the FRS and HIS defined benefit plans.

General information about the Florida Retirement System and Health Insurance Subsidy Program

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

Essentially all regular employees of the University are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer defined benefit plans, and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' website (www.dms.myflorida.com).

The University's pension expense totaled $84,273,835 for the 2016-17 fiscal year for both the FRS Pension Plan and HIS Program.

1. Florida Retirement System Defined Benefit Pension Plan

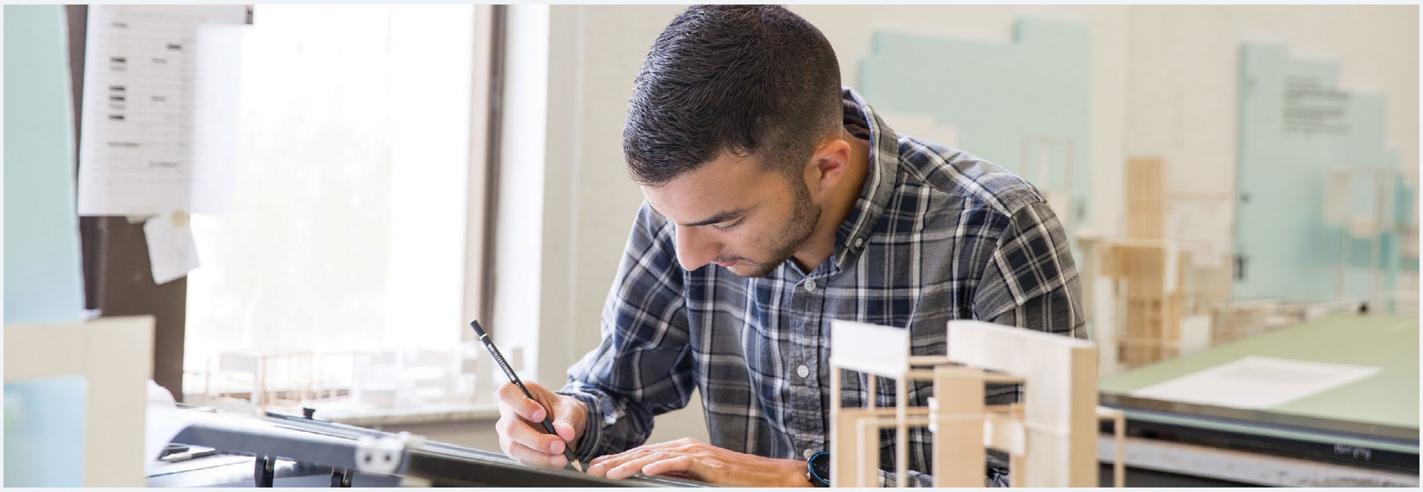
■ **Plan Description** – The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

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

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service, and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62, or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55, or at any age after 25 years of service. All vested members enrolled in the Plan on or after July 1, 2011, 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. Employees enrolled in the Plan may include up to four years of military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS-participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

■ **Benefits Provided** – Benefits under the Plan are computed on the basis of age, and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on retirement plan and/or the



class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors benefits. Table 20 shows the percentage value for each year of service credit earned.

As provided in Section 121.101, Florida Statutes, if the member was initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3.00% per year. If the member was initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3.00%, determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement, multiplied by 3.00%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Table 20. Percentage Value of Service Credit Earned per Year

Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60%
Retirement at age 63 or with 31 years of service	1.63%
Retirement at age 64 or with 32 years of service	1.65%
Retirement at age 65 or with 33 or more years of service	1.68%
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60%
Retirement at age 66 or with 34 years of service	1.63%
Retirement at age 67 or with 35 years of service	1.65%
Retirement at age 68 or with 36 or more years of service	1.68%
Senior Management Service Class	2.00%
Special Risk Regular Service on and after October 1, 1974	3.00%

■ **Contributions** – The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2016-17 fiscal year are shown in Table 21. The University's contributions to the Plan totaled $39,948,341 for the fiscal year ended June 30, 2017.

■ **Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** – At June 30, 2017, the University reported a liability of $393,639,963 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The University's proportionate share of the net pension liability was based on the University's 2015-16 fiscal year contributions relative to the total 2015-16 fiscal year contributions of all participating members. At June 30, 2016, the University's proportionate share was 1.56%, which was a decrease of 0.03 from its proportionate share of 1.59% measured as of June 30, 2015.

Table 21. Florida Retirement System Rates

	Percent of Gross Salary	
Class	**Employee**	**Employer (A)**
Florida Retirement System, Regular	3.00%	7.52%
Florida Retirement System, Senior Management Service	3.00%	21.77%
Florida Retirement System, Special Risk	3.00%	22.57%
Deferred Retirement Option Program-Applicable to Members from all of the Above Classes	0.00%	12.99%
Florida Retirement System, Reemployed Retiree	(B)	(B)

(A) Employer rates for each membership class include 1.66% for Health Insurance Subsidy. Also, employer rates, other than for DROP participants, include 0.06% for administrative costs of the Investment Plan.

(B) Contribution Rates are dependent upon retirement class in which reemployed.

For the year ended June 30, 2017, the University recognized pension expense of $68,892,680. At June 30, 2017, the University reported deferred outflows of resources and deferred inflows of resources related to pensions as presented in Table 22.

Table 22. Deferred Outflows and Inflows Related to Pensions - FRS

Description	Deferred Outflows of Resources	Deferred Inflows of Resources	Recognition Period
Differences Between Expected and Actual Experience	$ 30,140,103	$ 3,665,054	6.4 years
Change of Assumptions	23,814,040	-	6.4 years
Net Difference Between Projected and Actual Earnings on Plan Investments	101,751,132	-	5.0 years
Changes in Proportion and Difference Between University Contributions and Proportionate Share of Contributions	32,956,432	3,274,169	6.4 years
University Contributions Subsequent to the Measurement Date	39,948,341	-	1.0 year
Total	**$ 228,610,048**	**$ 6,939,223**	

The deferred outflows of resources related to pensions totaling $39,948,341, resulting from University contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as shown in Table 23.

Table 23. Recognition of Deferred Outflows and Inflows Related to Pensions - FRS

Fiscal Year Ending June 30	
2018	$ 29,813,716
2019	29,813,716
2020	69,482,624
2021	44,896,064
2022	5,999,608
Thereafter	1,716,756
Total	**$ 181,722,484**

■ **Actuarial Assumptions** – The total pension liability in the July 1, 2016, actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement, as presented in Table 24.

Table 24. Actuarial Assumptions - FRS

Inflation	2.60%	
Salary Increases	3.25%	average, including inflation
Investment Rate of Return	7.60%	net of pension Plan investment expense, including inflation

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

The actual assumptions used in the July 1, 2016, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

The long-term expected rate of return on Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of long-term expected rates of arithmetic return for each major asset class are summarized in Table 25.

Table 25. Target Allocation and Expected Rate of Return

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Cash	1.00%	3.00%
Fixed Income	18.00%	4.70%
Global Equity	53.00%	8.10%
Real Estate (Property)	10.00%	6.40%
Private Equity	6.00%	11.50%
Strategic Investments	12.00%	6.10%
Total	**100.00%**	

■ **Discount Rate** – The discount rate used to measure the total pension liability was 7.60%. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

■ **Sensitivity of the University's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** – Table 26 presents the University's proportionate share of the net pension liability calculated using the discount rate of 7.60%, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.60%) or 1 percentage point higher (8.60%) than the current rate.

Table 26. Sensitivity to Changes in Discount Rate - FRS

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
University's Proportionate Share of the Net Pension Liability	$ 724,717,823	$ 393,639,963	$ 118,061,370

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

2. Health Insurance Subsidy Defined Benefit Pension Plan

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

■ **Benefits Provided** – For the fiscal year ended June 30, 2017, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement, multiplied by $5. The payments are at least $30, but not more than $150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

■ **Contributions** – The HIS Plan is funded by required contributions from FRS participating employers, as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2017, the contribution rate was 1.66% of payroll pursuant to Section 112.363, Florida Statues. The University contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. The University's contributions to the HIS Plan totaled $7,783,620 for the fiscal year ended June 30, 2017.

■ **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources Related to Pensions** – At June 30, 2017, the University reported a liability of $171,404,762 for its proportionate share of the net pension liability. The current portion of the net pension liability is the University's

proportionate share of benefit payments expected to be paid within one year, net of the University's proportionate share of the HIS Plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The University's proportionate share of the net pension liability was based on the University's 2015-16 fiscal year contributions relative to the total 2015-16 fiscal year contributions of all participating members. At June 30, 2016, the University's proportionate share was 1.47%, which was an increase of 0.01 from its proportionate share of 1.46% measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the University recognized pension expense of $15,381,155. In addition, the University reported deferred outflows of resources and deferred inflows of resources related to pensions as presented in Table 27.

Table 27. Deferred Outflows and Inflows Related to Pensions - HIS

Description	Deferred Outflows of Resources	Deferred Inflows of Resources	Recognition Period
Differences Between Expected and Actual Experience	$ -	$ 390,397	7.2 years
Change of Assumptions	26,897,765	-	7.2 years
Net Difference Between Projected and Actual Earnings on Plan Investments	86,666	-	5.0 years
Changes in Proportion and Difference Between University Contributions and Proportionate Share of Contributions	5,683,621	-	7.2 years
University Contributions Subsequent to the Measurement Date	7,783,620	-	1.0 year
Total	**$ 40,451,672**	**$ 390,397**	

The deferred outflows of resources related to pensions totaling $7,783,620, resulting from University contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as shown in Table 28.

Table 28. Recognition of Deferred Outflows and Inflows Related to Pensions - HIS

Fiscal Year Ending June 30		
2018	$	5,901,736
2019		5,901,736
2020		5,885,233
2021		5,877,312
2022		4,925,414
Thereafter		3,786,224
Total	**$**	**32,277,655**

■ **Actuarial Assumptions** - The total pension liability at July 1, 2016, determined by applying update procedures to the actuarial valuations at July 1, 2015, used the following actuarial assumptions, applied to all periods included in the measurement, as presented in Table 29.

Table 29. Actuarial Assumptions - HIS

Inflation	2.60%	
Salary Increases	3.25%	average, including inflation
Municipal Bond Rate	2.85%	

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

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

■ **Discount Rate** – The discount rate used to measure the total pension liability was 2.85%, which was a decrease of 0.95% from the prior measurement date. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

■ **Sensitivity of the University's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** – Table 30 presents the University's proportionate share of the net pension liability calculated using the discount rate of 2.85%, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.85%) or 1 percentage point higher (3.85%) than the current rate.

Table 30. Sensitivity to Changes in Discount Rate - HIS

	1% Decrease 1.85%	Current Discount Rate 2.85%	1% Increase 3.85%
University's Proportionate Share of the Net Pension Liability	**$ 196,640,204**	**$ 171,404,762**	**$ 150,460,723**

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

B. DEFINED CONTRIBUTION PENSION PLANS

1. FRS Investment Plan

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. University employees already participating in the State University System Optional Retirement Program or DROP are not eligible to participate in this program. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Service retirement benefits are based upon the value of the member's account upon retirement. Benefit terms, including contribution requirements, are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contributions as the FRS defined benefit plan; these contributions 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. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members. Allocations to the Investment Plan member accounts during the 2016-17 fiscal year are presented in Table 31.

Table 31. Florida Retirement System - Investment Plan Rates

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

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings.

If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the FRS Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over his or her account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2017, the information for the amount of forfeitures was unavailable from the SBA; however, management believes these amounts, if any, would be immaterial to the University.

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

There were 2,082 University participants during the 2016-17 fiscal year. The University's Investment Plan pension expense totaled $7,332,662 for the fiscal year ended June 30, 2017.

2. State University System Optional Retirement Program

Section 121.35, Florida Statutes, provides for an Optional Retirement Program (Program) for eligible university instructors and administrators. The Program is designed to aid State universities in recruiting employees by offering more portability to employees not expected to remain in FRS for eight or more years.

The Program is a defined contribution plan, which provides full and immediate vesting of all contributions submitted to the participating investment companies on behalf of the participant. Employees in eligible positions can make an irrevocable election to participate in the Program, rather than the FRS, and purchase retirement and death benefits through contracts provided by certain insurance carriers. The employing university contributes 5.14% of the participant's salary to the participant's account, 2.83% to cover the unfunded actuarial liability of the FRS pension plan, and 0.01% to cover administrative costs. Employees contribute 3.00% of their 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 6,503 University participants during the 2016-17 fiscal year. The University's contributions to the Program totaled $38,894,385 and employee contributions totaled $25,925,863 for the 2016-17 fiscal year.

C. OTHER RETIREMENT PROGRAMS

1. U.S. Civil Service Retirement System

Some University employees participate in the U.S. Civil Service Retirement System. Sixteen employees were covered by the U.S. Civil Service Retirement System during the 2016-17 fiscal year. Employer contributions totaled $115,436, and employee contributions totaled $115,435 for the 2016-17 fiscal year. The University's participation in the Federal retirement system is not considered material by University management.

2. 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 includes a social security benefit. No additional persons can become eligible for this supplement.

There were 14 University participants during the 2016-17 fiscal year. Required employer contributions made to the program totaled $291,940. Employees do not contribute to this program.

14. Construction Commitments

The University's construction commitments at June 30, 2017, are presented in Table 32.

Table 32. Construction Commitments

Project Title	Total Commitment	Completed to Date	Balance Committed
NEXUS Engineering Addition	$ 55,188,000	$ 3,428,048	$ 51,759,952
Innovation Hub, Phase II	17,200,000	8,313,624	8,886,376
UF Health Proton Therapy Institute Gantry Expansion	9,415,000	365,783	9,049,217
Career Resource Center Addition and Renovation	7,698,170	520,070	7,178,100
Rabon Steam Boiler Design/Installation	7,095,707	103,810	6,991,897
Institute of Black Culture and Institute of Hispanic-Latino Cultures Facility	6,500,000	95,770	6,404,230
Museum Rd Utility Infrastructure Replacement	6,200,000	82,700	6,117,300
Electrical Substation 2 - Cable and Switchgear Replacement	5,410,000	210,933	5,199,067
Basic Sciences Building - Ground Floor Renovation	5,227,687	4,196,258	1,031,429
New Surplus Property Warehouse	2,804,977	514,982	2,289,995
Band Practice Field	2,712,800	12,800	2,700,000
Nature Coast Biological Station	2,379,920	1,829,891	550,029
Turlington Hall HVAC	2,164,464	398,181	1,766,283
Weil McCarty Chilled Water Interconnect	2,155,000	953,264	1,201,736
Renovate Ground Floor McCarty Hall	2,035,000	830,663	1,204,337
Bruton-Geer Hall Renovation	2,025,352	574,960	1,450,392
Florida Museum of Natural History Discovery Room	2,020,000	1,726,806	293,194
Joint Use Library Storage Facility	2,019,466	1,516,636	502,830
Reitz Union Guardrail Replacement	2,000,000	207,309	1,792,691
Subtotal	142,251,543	25,882,488	116,369,055
Projects Under $2,000,000	80,342,556	27,476,544	52,866,012
Total	**$ 222,594,099**	**$ 53,359,032**	**$ 169,235,067**

15. State Self-Insurance Programs

The University is exposed to various risks of loss related to torts; 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 2016-17 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. After the annual aggregate retention, losses in excess of $2 million per occurrence were commercially insured up to $85 million for named windstorm and flood losses through February 14, 2017, and increased to $92.5 million starting February 15, 2017. For perils other than named windstorm and flood, losses in excess of $2 million per occurrence were commercially insured up to $200 million through February 14, 2017, and increased to $225 million starting February 15, 2017; 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.

16. University Self-Insurance Programs

The University of Florida Self-Insurance Program (the Program) and the University of Florida Healthcare Education Insurance Company (HEIC), which are included in the University's reporting entity as discretely presented component units (see Note 1), provide general and professional liability protection for the University of Florida Board of Trustees (UFBOT) on behalf of the six health colleges of the JHMHC, the College of Veterinary Medicine teaching hospitals, the Student Health Care Center, direct-support organizations, and their employees and agents. Hospital professional liability protection, including general liability, is provided to Shands Teaching Hospital and Clinics, Inc., Shands Jacksonville Medical Center, Inc. (a subsidiary of Shands Jacksonville HealthCare, Inc.-Shands Jacksonville), other entities statutorily authorized to participate in the Program, and their employees and agents. The Program and HEIC are distinct from and entirely independent of the self-insurance programs administered by the State described in Note 15.

The UFBOT and other immune entities are 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 and, for voluntary settlements, $2 million per claim. For those protected entities not subject to Section 768.28, Florida Statutes, the Program provides $2 million per claim. 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.

HEIC provides coverage for claims that are in excess of the protections provided by the Program, at limits of $4 million per legislative claims bill coverage for participants subject to Section 768.28, Florida Statutes.

17. 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 U.S. Agency for International Development (USAID), through its Lima, Peru office, is in the process of conducting a financial review of a Trilateral Cooperative Agreement that was awarded to the University of Florida in 2011 and terminated in 2016. Concurrently, the Office of Inspector General for USAID is reviewing the activities involved in the project, with a focus on the conduct of one or two individuals. At this time, the University is not able to make definitive determinations about any potential outcome of these reviews.

18. Functional Distribution of Operating Expenses

The functional classification of operating expenses (instruction, research, etc.) is assigned to each individual transaction based on the nature of the activity. The operating expenses on the Statement of Revenues, Expenses, and Changes in Net Position are presented by natural classification. Table 33 presents those same expenses in functional classification as recommended by NACUBO.

Table 33. Functional Expenses

Functional Classification	
Instruction	$ 715,501,410
Public Service	647,919,858
Research	635,193,020
Academic Support	204,659,024
Institutional Support	152,880,147
Depreciation	137,484,244
Auxiliary Enterprises	126,594,027
Operation and Maintenance of Plant	121,572,923
Scholarships, Fellowships, and Waivers, Net	106,890,625
Student Services	42,061,066
Total Operating Expenses	**$ 2,890,756,344**

19. Component Units

The University's financial statements include 17 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 34, 35, and 36.

20. 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 37.

Table 34. Direct-Support Organizations *(amounts expressed in thousands)*

	University of Florida Foundation, Inc.	The University Athletic Association, Inc.	University of Florida Research Foundation, Inc.	GatorCare Health Management Corporation
CONDENSED STATEMENT OF NET POSITION				
Assets				
Due from Component Units/University	$ 26,050	$ 5,485	$ 110,200	$ 158
Other Current Assets	163,916	70,261	8,890	21,559
Capital Assets, Net	57,338	188,270	-	9
Other Noncurrent Assets	1,673,048	54,373	-	35,606
Total Assets	1,920,352	318,389	119,090	57,332
Liabilities				
Due to Component Units/University	42,805	-	15,324	24,393
Other Current Liabilities	7,353	80,336	5,847	18,822
Noncurrent Liabilities	32,655	84,681	-	13,520
Total Liabilities	82,813	165,017	21,171	56,735
Net Position				
Net Investment in Capital Assets	-	101,855	-	9
Restricted-Nonexpendable Endowment	1,345,466	-	-	-
Restricted-Expendable Endowment	355,998	-	-	-
Restricted-Expendable Other	131,912	916	-	-
Unrestricted	4,163	50,601	97,919	588
Total Net Position	**$ 1,837,539**	**$ 153,372**	**$ 97,919**	**$ 597**
CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION				
Operating Revenues	$ 95,601	$ 135,060	$ 33,161	$ 1,418
Operating Expenses	(173,467)	(133,948)	(33,717)	(1,246)
Operating Income (Loss)	(77,866)	1,112	(556)	172
Nonoperating Revenues (Expenses) and Other Revenues, Expenses, Gains, or Losses				
Investment Income (Loss), Net of Expenses	172,436	7,486	2	(39)
Net Increase (Decrease) in the Fair Value of Investments	1,399	-	35	-
Other Nonoperating Revenues	-	8,510	2,300	-
Other Nonoperating Expenses	4,472	(21,188)	-	-
Addition to Permanent Endowments	76,864	-	-	-
Change in Net Position	177,305	(4,080)	1,781	133
Net Position, Beginning of Year	1,700,161	157,452	96,138	464
Adjustments to Beginning Net Position (Note 2)	(39,927)	-	-	-
Net Position, Beginning of Year, as Restated	1,660,234	157,452	96,138	464
Net Position, End of Year	**$ 1,837,539**	**$ 153,372**	**$ 97,919**	**$ 597**

Florida Foundation Seed Producers, Inc.	University of Florida Development Corporation	Gator Boosters, Inc.	Citrus Research and Development Foundation, Inc.	Total Direct-Support Organizations
$ -	$ -	$ 4,054	$ -	$ 145,947
12,162	2,770	2,217	5,859	287,634
2,806	10,285	14	-	258,722
-	-	468	-	1,763,495
14,968	13,055	6,753	5,859	2,455,798
-	-	5,485	-	88,007
7,206	265	156	1,125	121,110
-	-	92	-	130,948
7,206	265	5,733	1,125	340,065
2,806	10,285	14	-	114,969
-	-	468	-	1,345,934
-	-	-	-	355,998
-	-	-	4,734	137,562
4,956	2,505	538	-	161,270
$ 7,762	**$ 12,790**	**$ 1,020**	**$ 4,734**	**$ 2,115,733**
$ 1,792	$ 1,456	$ 40,607	$ 3,427	$ 312,522
(648)	(2,186)	(3,299)	(11,791)	(360,302)
1,144	(730)	37,308	(8,364)	(47,780)
23	-	1,580	33	181,521
-	-	(32)	-	1,402
14	1,345	-	8,000	20,169
-	-	(38,861)	-	(55,577)
-	-	4	-	76,868
1,181	615	(1)	(331)	176,603
-	12,175	1,021	5,065	1,972,476
6,581	-	-	-	(33,346)
6,581	12,175	1,021	5,065	1,939,130
$ 7,762	**$ 12,790**	**$ 1,020**	**$ 4,734**	**$ 2,115,733**

Table 35. Health Science Center Affiliates *(amounts expressed in thousands)*

	Florida Clinical Practice Association, Inc.	University of Florida Jacksonville Physicians, Inc.	Faculty Associates, Inc.	Florida Veterinary Medicine Faculty Association, Inc.	University of Florida College of Pharmacy Faculty Practice Association, Inc.	Total Health Science Center Affiliates
CONDENSED STATEMENT OF NET POSITION						
Assets						
Due from Component Units/University	$ 27,542	$ -	$ 1,500	$ 8,605	$ 1,613	$ 39,260
Other Current Assets	102,598	73,889	14,620	2,310	2,911	196,328
Capital Assets, Net	48,112	17,831	-	-	-	65,943
Other Noncurrent Assets	15,726	-	-	-	-	15,726
Total Assets	193,978	91,720	16,120	10,915	4,524	317,257
Liabilities						
Due to Component Units/University	6,967	885	-	-	-	7,852
Other Current Liabilities	7,715	20,602	243	1,477	1,404	31,441
Noncurrent Liabilities	33,214	3,655	-	-	-	36,869
Total Liabilities	47,896	25,142	243	1,477	1,404	76,162
Net Position						
Net Investment in Capital Assets	13,508	13,356	-	-	-	26,864
Unrestricted	132,574	53,222	15,877	9,438	3,120	214,231
Total Net Position	**$ 146,082**	**$ 66,578**	**$ 15,877**	**$ 9,438**	**$ 3,120**	**$ 241,095**
CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION						
Operating Revenues	$ 611,961	$ 251,839	$ 19,887	$ 10,875	$ 10,789	$ 905,351
Operating Expenses	(167,263)	(131,913)	(333)	(589)	(9,741)	(309,839)
Operating Income	444,698	119,926	19,554	10,286	1,048	595,512
Nonoperating Revenues (Expenses)						
Investment Income (Loss), Net of Expenses	(68)	182	3	-	-	117
Net Increase in the Fair Value of Investments	1,045	-	-	-	-	1,045
Other Nonoperating Revenue	9	5,091	-	-	-	5,100
Other Nonoperating Expenses	(446,012)	(118,126)	(16,175)	(10,285)	(1,086)	(591,684)
Change in Net Position	(328)	7,073	3,382	1	(38)	10,090
Net Position, Beginning of Year	146,410	59,505	12,495	9,437	-	227,847
Adjustments to Beginning Net Position (Note 2)	-	-	-	-	3,158	3,158
Net Position, Beginning of Year, as Restated	146,410	59,505	12,495	9,437	3,158	231,005
Net Position, End of Year	**$ 146,082**	**$ 66,578**	**$ 15,877**	**$ 9,438**	**$ 3,120**	**$ 241,095**

Table 36. Shands Hospital and Others *(amounts expressed in thousands)*

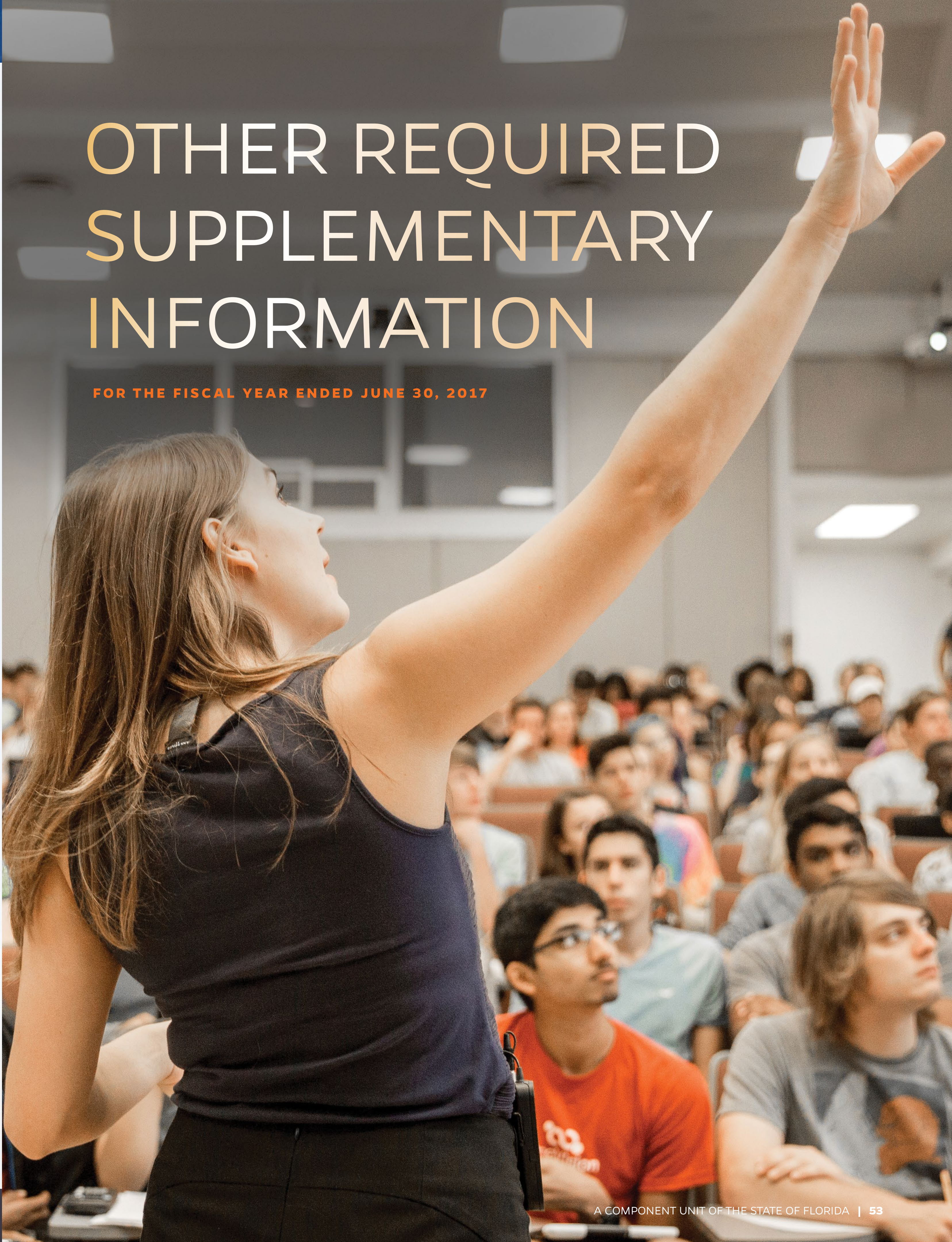
	Shands Teaching Hospital & Clinics, Inc.	Shands Jacksonville HealthCare, Inc.	University of Florida Self-Insurance Program	University of Florida Healthcare Education Insurance Company	Total Shands Hospital and Others
CONDENSED STATEMENT OF NET POSITION					
Assets					
Due from Component Units/University	$ 31,907	$ 9,953	$ -	$ 54,032	$ 95,892
Other Current Assets	514,090	236,875	202,625	1,832	955,422
Capital Assets, Net	981,161	265,681	-	-	1,246,842
Other Noncurrent Assets	634,324	46,786	-	-	681,110
Total Assets	2,161,482	559,295	202,625	55,864	2,979,266
Deferred Outflows of Resources					
Deferred Amounts Related to Pensions	88,333	6,702	-	-	95,035
Accumulated Decrease in Fair Value of Interest Rate Swap Agreements	49,013	215	-	-	49,228
Losses on Debt Refunding	376	-	-	-	376
Total Assets and Deferred Outflows of Resources	2,299,204	566,212	202,625	55,864	3,123,905
Liabilities					
Due to Component Units/University	7,700	182	54,031	-	61,913
Other Current Liabilities	290,750	107,206	6,676	9	404,641
Noncurrent Liabilities	919,235	260,799	24,791	2,725	1,207,550
Total Liabilities	1,217,685	368,187	85,498	2,734	1,674,104
Deferred Inflows of Resources					
Deferred Amounts Related to Pensions	26,632	2,496	-	-	29,128
Accumulated Increase in Fair Value of Interest Rate Swap Agreements	-	4,171	-	-	4,171
Gains on Debt Refunding	2,732	-	-	-	2,732
Total Liabilities and Deferred Inflows of Resources	1,247,049	374,854	85,498	2,734	1,710,135
Net Position					
Net Investment in Capital Assets	136,616	51,330	-	-	187,946
Restricted-Nonexpendable Endowment	253	-	-	-	253
Restricted-Expendable Endowment	9,038	4,123	-	-	13,161
Other Restricted Net Position	-	-	117,127	53,130	170,257
Unrestricted	906,248	135,905	-	-	1,042,153
Total Net Position	**$ 1,052,155**	**$ 191,358**	**$ 117,127**	**$ 53,130**	**$ 1,413,770**
CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION					
Operating Revenues	$ 1,424,591	$ 696,408	$ 9,024	$ 465	$ 2,130,488
Operating Expenses	(1,271,463)	(656,586)	(8,972)	(269)	(1,937,290)
Operating Income	153,128	39,822	52	196	193,198
Nonoperating Revenues (Expenses)					
Investment Income, Net of Expenses	16,097	512	10,552	2,828	29,989
Net Increase in the Fair Value of Investments	20,661	-	-	-	20,661
Other Nonoperating Revenues	14,525	1,114	-	-	15,639
Other Nonoperating Expenses	(88,821)	(41,446)	-	-	(130,267)
Change in Net Position	115,590	2	10,604	3,024	129,220
Net Position, Beginning of Year	936,565	191,356	106,523	50,106	1,284,550
Net Position, End of Year	**$ 1,052,155**	**$ 191,358**	**$ 117,127**	**$ 53,130**	**$ 1,413,770**

Table 37. SEGMENT INFORMATION

	Transportation and Parking Services	Department of Housing and Residence Education
CONDENSED STATEMENT OF NET POSITION		
Assets		
Current Assets	$ 12,104,150	$ 4,901,167
Capital Assets, Net	33,579,450	128,899,605
Other Noncurrent Assets	8,052,107	826,805
Total Assets	53,735,707	134,627,577
Liabilities		
Current Liabilities	3,906,497	12,134,361
Noncurrent Liabilities	14,790,432	62,954,778
Total Liabilities	18,696,929	75,089,139
Net Position		
Net Investment in Capital Assets	18,623,658	62,000,265
Restricted	8,023,121	360,852
Unrestricted	8,391,999	(2,822,679)
Total Net Position	**$ 35,038,778**	**$ 59,538,438**
CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION		
Operating Revenues (Expenses)		
Operating Revenues	$ 26,860,803	$ 57,786,730
Depreciation Expense	(2,404,100)	(7,372,481)
Other Operating Expenses	(19,961,539)	(44,640,313)
Operating Income	4,495,164	5,773,936
Nonoperating Revenues (Expenses)		
Investment Income	24,332	18,690
Interest on Capital Asset-Related Debt	(857,430)	(3,057,720)
Other Nonoperating Expenses	(4,671,818)	(9,091,951)
Net Nonoperating Revenues (Expenses)	(5,504,916)	(12,130,981)
Change in Net Position	(1,009,752)	(6,357,045)
Net Position, Beginning of Year	36,048,530	65,895,483
Net Position, End of Year	**$ 35,038,778**	**$ 59,538,438**
CONDENSED STATEMENT OF CASH FLOWS		
Net Cash Provided (Used) by		
Operating Activities	$ 6,539,805	$ 12,334,091
Noncapital Financing Activities	(3,167,652)	(5,218,392)
Capital and Related Financing Activities	(5,298,707)	(9,490,249)
Investing Activities	1,926,554	198,131
Net Decrease in Cash and Cash Equivalents	-	(2,176,419)
Cash and Cash Equivalents, Beginning of Year	-	6,334,315
Cash and Cash Equivalents, End of Year	**$ -**	**$ 4,157,896**

OTHER REQUIRED SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2017



Schedule of Funding Progress - Other Postemployment Benefits Plan *(amounts in thousands)*

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (1) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2011	$ -	$ 643,742	$ 643,742	0%	$ 996,686	65%
7/1/2013	$ -	$ 663,395	$ 663,395	0%	$ 1,072,984	62%
7/1/2015 (2)	$ -	$ 782,069	$ 782,069	0%	$ 1,120,516	70%

Notes:

(1) *The entry age cost actuarial method is used by the University.*

(2) *The July 1, 2015, unfunded actuarial liability of $782.1 million was higher than the July 1, 2013, liability of $663.4 million due to several factors, including an increased implied subsidy, updated trend rate assumptions, and demographic changes.*

Schedule of University's Proportionate Share of the Net Pension Liability - Florida Retirement System (FRS) Defined Benefit Pension Plan

	2016 (1) (4)	**2015** (1) (2)	**2014** (1) (3)	**2013** (1)
University's Proportion of the FRS Net Pension Liability	1.56%	1.59%	1.52%	1.23%
University's Proportionate Share of the FRS Net Pension Liability	$ 393,639,963	$ 204,919,550	$ 92,657,576	$ 212,307,108
University's Covered Payroll (5)	$ 1,120,515,686	$ 1,066,940,109	$ 1,024,891,028	$ 1,053,555,913
University's Proportionate Share of the FRS Net Pension Liability as a Percentage of Covered Payroll	35.13%	19.21%	9.04%	20.15%
FRS Plan Fiduciary Net Position as a Percentage of the FRS Total Pension Liability	84.88%	92.00%	96.09%	88.54%

Notes:

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

(2) *There were no changes in assumptions from the prior fiscal year.*

(3) *Changes of assumptions - As of June 30, 2014, the inflation rate assumption was decreased from 3.00% to 2.60%, the real payroll growth assumption was decreased from 1.00% to 0.65%, and the overall payroll growth rate assumption was decreased from 4.00% to 3.25%. The long-term expected rate of return decreased from 7.75% to 7.65%.*

(4) Changes of assumptions - As of June 30, 2016, the long-term expected rate of return decreased from 7.65% to 7.60%.

(5) *Covered payroll includes active employees who are members of the following plans: defined benefit, Investment Plan, State University Optional Retirement Program, and DROP because total employer contributions are determined on a uniform basis (blended rate) as required by Part III of Chapter 121, Florida Statutes.*

Schedule of University Contributions - Florida Retirement System (FRS) Defined Benefit Pension Plan

	2017 (1)	**2016** (1)	**2015** (1)	**2014** (1)
Contractually Required FRS Contribution	$ 39,948,341	$ 38,017,855	$ 38,680,557	$ 33,264,015
FRS Contributions in Relation to the Contractually Required FRS Contribution	(39,948,341)	(38,017,855)	(38,680,557)	(33,264,015)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
University's Covered Payroll (2)	$ 1,103,905,001	$ 1,120,515,686	$ 1,066,940,109	$ 1,024,891,028
FRS Contributions as a Percentage of Covered Payroll	3.62%	3.39%	3.63%	3.25%

Notes:

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

(2) Covered payroll includes active employees who are members of the following plans: defined benefit, Investment Plan, State University Optional Retirement Program, and DROP because total employer contributions are determined on a uniform basis (blended rate) as required by Part III of Chapter 121, Florida Statutes.

Schedule of University's Proportionate Share of the Net Pension Liability - Health Insurance Subsidy (HIS) Defined Benefit Pension Plan

	2016 (1) (4)	**2015** (1) (3)	**2014** (1) (2)	**2013** (1)
University's Proportion of the HIS Net Pension Liability	1.47%	1.46%	1.41%	1.38%
University's Proportionate Share of the HIS Net Pension Liability	$ 171,404,762	$ 148,825,945	$ 131,969,507	$ 120,063,826
University's Covered Payroll (5)	$ 435,925,174	$ 413,619,247	$ 396,471,815	$ 382,427,384
University's Proportionate Share of the HIS Net Pension Liability as a Percentage of Covered Payroll	39.32%	35.98%	33.29%	31.40%
HIS Plan Fiduciary Net Position as a Percentage of the HIS Total Pension Liability	0.97%	0.50%	0.99%	1.78%

Notes:

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

(2) Change of assumption - The municipal rate used to determine total pension liability decreased from 4.63% to 4.29%.

(3) Change of assumption - The municipal rate used to determine total pension liability decreased from 4.29% to 3.80%.

(4) Change of assumption - The municipal rate used to determine total pension liability decreased from 3.80% to 2.85%.

(5) Covered payroll includes active employees who are members of the following plans: defined benefit, Investment Plan, and DROP.

Schedule of University Contributions - Health Insurance Subsidy (HIS) Defined Benefit Pension Plan

	2017 (1)	**2016** (1)	**2015** (1)	**2014** (1)
Contractually Required HIS Contribution	$ 7,783,620	$ 7,538,309	$ 5,578,364	$ 4,834,988
HIS Contributions in Relation to the Contractually Required HIS Contribution	(7,783,620)	(7,538,309)	(5,578,364)	(4,834,988)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
University's Covered Payroll (2)	$ 431,629,539	$ 435,925,174	$ 413,619,247	$ 396,471,815
HIS Contributions as a Percentage of Covered Payroll	1.80%	1.73%	1.35%	1.22%

Notes:

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

(2) Covered payroll includes active employees who are members of the following plans: defined benefit, Investment Plan, and DROP.

AUDITOR GENERAL
STATE OF FLORIDA

Sherrill F. Norman, CPA
Auditor General

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

Phone: (850) 412-2722
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 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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of 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, 2017, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated February 22, 2018, included under the heading **INDEPENDENT AUDITOR'S REPORT**. Our report includes a reference to other auditors who audited the financial statements of the aggregate discretely presented component units, as described in our report on the University's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) to determine audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the University's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

Sherrill F. Norman

Sherrill F. Norman, CPA
Tallahassee, Florida
February 22, 2018
Audit Report No. 2018-118

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Assistant Vice President and University Controller

Bradley W. Bennett
Senior Associate Controller for University Bursar,
Treasury Management, and Payroll and Tax Services

Ruth Harris
Senior Associate Controller for Disbursements,
Asset Management, Cost Analysis,
and Construction Accounting

UF | UNIVERSITY of FLORIDA

Alan M. West, Assistant Vice President and University Controller
Post Office Box 113200, Tigert Hall, Room 207, Gainesville, FL 32611-3200 | awest@ufl.edu

PHOTOS BY UF PHOTOGRAPHY

APPENDIX I

ANNUAL FINANCIAL REPORT

UNIVERSITY OF FLORIDA
TRANSPORTATION AND PARKING SERVICES

JUNE 30, 2017

ANNUAL FINANCIAL REPORT

UNIVERSITY OF FLORIDA
TRANSPORTATION AND PARKING SERVICES

JUNE 30, 2017

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Purvis Gray & Company

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

University of Florida
Office of Administrative Affairs
Business Services Division
Gainesville, Florida

Management is responsible for the preparation and fair presentation of the accompanying financial statements of the University of Florida Transportation and Parking Services (the Auxiliary), as of and for the year ended June 30, 2017, and the related notes to the financial statements, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying financial statements, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying financial statements.

The prior year summarized comparative information has been derived from the Auxiliary's 2016 financial statements, which we compiled and reported on in our report dated September 29, 2016.

As discussed in Note 1, the financial statements present only the Auxiliary and do not purport to, and do not present fairly the financial position of the University of Florida as of June 30, 2017, and the changes in its financial position and cash flows for the year then ended, in conformity 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 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. This information is the representation of management. This information was subject to our compilation engagement; however, we have not audited or reviewed the required supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

Purvis, Gray and Company, LLP

January 12, 2018
Gainesville, Florida

Certified Public Accountants
P.O. Box 141270 • 222 N.E. 1st Street • Gainesville, Florida 32614-1270 • (352) 378-2461 • FAX (352) 378-2505
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872 • FAX (352) 732-0542
443 East College Avenue • Tallahassee, Florida 32301 • (850) 224-7144 • FAX (850) 224-1762
5001 Lakewood Ranch Blvd. N., Suite 101 • Sarasota, Florida 34240 • (941) 907-0350 • FAX (941) 907-0309
MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the annual financial report for Transportation and Parking Services, an auxiliary enterprise of the University of Florida, presents our discussion and analysis of the Auxiliary's financial performance during the fiscal years ending June 30, 2017 and June 30, 2016. Please read it in conjunction with the accompanying Accountants' Compilation Report and the Auxiliary's financial statements.

Overview of the Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Revenues, Expenses, and Changes in Net Assets provide information about the activities of the Auxiliary and present a longer term view of the Auxiliary's financial position. The Statement of Cash Flows provides information regarding net cash from (used in) various activities of the Auxiliary.

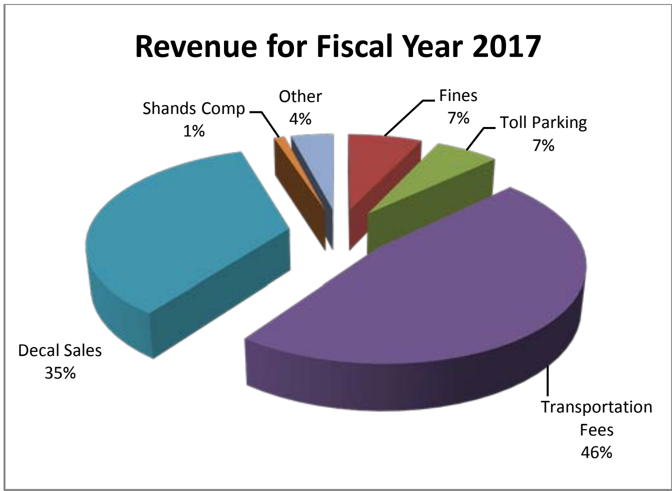
The financial statements also include notes explaining some of the information contained in the financial statements and provide more detailed data. These notes form an integral part of these financial statements and should be read as a part of the financial statements in order for the reader to have a clear understanding of the Auxiliary's activities and performance.

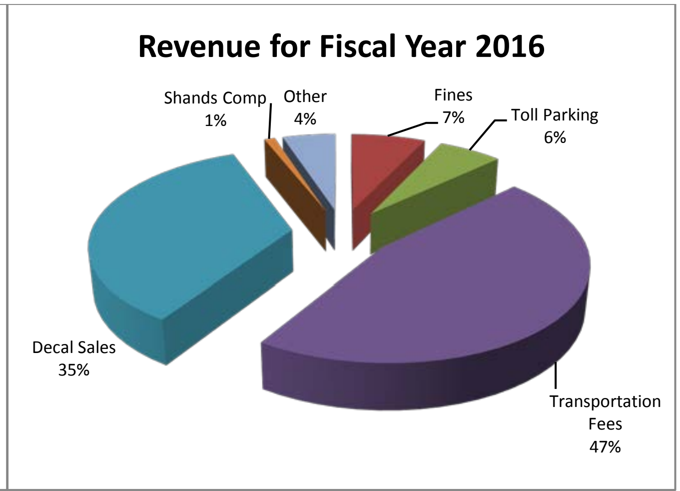
Financial Analysis of the Auxiliary

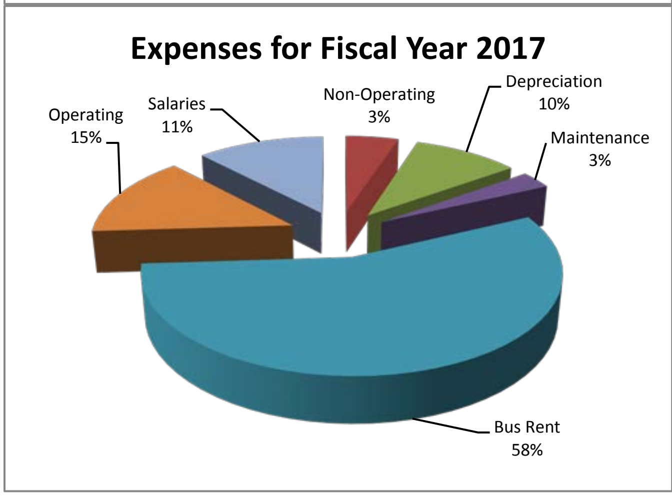
The following select financial information was derived from the Auxiliary's complete set of financial statements included in this report. It is presented to support management's analysis of financial position and results of operations that follow this information.

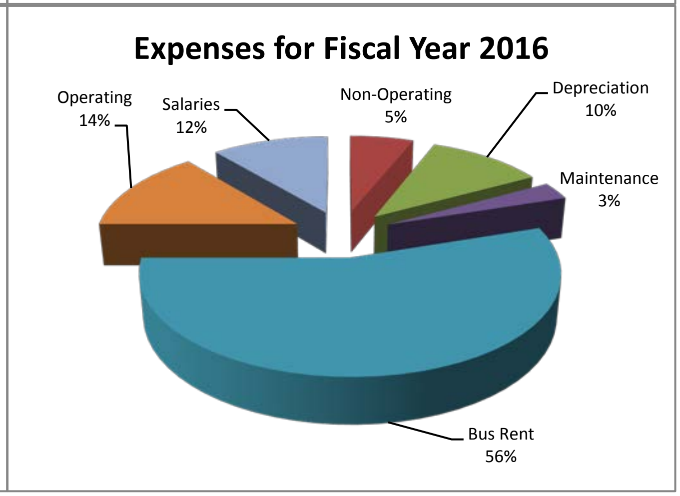
The Auxiliary's Net Position

	2017	2016
Current Assets	$ 17,839,002	$ 18,713,172
Non-current Assets	33,579,450	35,665,299
Total Assets	51,418,452	54,378,471
Current Liabilities	3,638,804	3,381,130
Long-term Liabilities	14,790,432	17,384,970
Total Liabilities	18,429,236	20,766,100
Net Position		
Net Investment in Capital Assets	20,839,844	18,261,065
Restricted	5,209,159	6,907,719
Unrestricted	6,940,213	8,443,587
Total Net Position	$ 32,989,216	$ 33,612,371


Revenue for Fiscal Year 2017
Shands Comp
1%
Other
4%
Fines
7%
Toll Parking
7%
Decal Sales
35%
Transportation
Fees
46%


Revenue for Fiscal Year 2016
Shands Comp
1%
Other
4%
Fines
7%
Toll Parking
6%
Decal Sales
35%
Transportation
Fees
47%


Expenses for Fiscal Year 2017
Operating
15%
Salaries
11%
Non-Operating
3%
Depreciation
10%
Maintenance
3%
Bus Rent
58%


Expenses for Fiscal Year 2016
Operating
14%
Salaries
12%
Non-Operating
5%
Depreciation
10%
Maintenance
3%
Bus Rent
56%

Changes in Net Position

	2017	2016
Revenues		
Operating	$ 25,984,246	$ 24,685,500
Non-operating	50,778	26,097
Contributions from Plant	583,167	3,966,997
Total Revenues	26,618,191	28,678,594
Expenses		
Operating	23,803,862	21,139,045
Non-operating	818,862	1,197,386
Contributions to Plant	2,664,026	29,536
Total Expenses	27,286,750	22,365,967
Changes in Net Position	(668,559)	6,312,627
Net Position, Beginning of Year	33,612,371	27,299,744
Restatement	45,404	0
Net Position, Beginning of Year As Restated	33,657,775	27,299,744
Net Position, End of Year	$ 32,989,216	$ 33,612,371

Financial Position and Results of Operations

Transportation and Parking Services (the Auxiliary) is an auxiliary enterprise of the University of Florida. The combined activities of the Auxiliary are reported in two major enterprise funds: the Operating Fund and the Transportation Fee Fund. Enterprise fund statements offer short and long term financial information for activities that are operated like a business. The Auxiliary is self-supporting, receiving no State support, and as such charges fees for all services it provides.

The Auxiliary endeavors to operate on a financial break-even basis, generating revenue sufficient to cover its operating costs and debt service, and to provide for the long term maintenance of its capital assets. Operating revenues were $25,984,246 for the fiscal year ended June 30, 2017, and $24,685,500 for the fiscal year ended June 30, 2016, generating an operating profit of $2,180,384 and $3,546,455, respectively. Net cash flow from operations was $4,472,563 and $6,176,902, respectively. Net cash flow was sufficient to cover the Auxiliary's long term debt service of $3,413,158 and $2,663,402, respectively. At fiscal year end, the Auxiliary had $4,676,385 in restricted maintenance and renewal reserves.

Capital Assets and Debt Administration

Capital Assets

	2017	2016
Buildings and Improvements	$ 33,206,854	$ 35,268,498
Furniture and Equipment	372,596	396,801
Total	$ 33,579,450	$ 35,665,299

The Auxiliary's capital assets primarily consist of 13 parking structures. Other capital assets include office space and related furniture and equipment.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Concluded)

Long-Term Debt

	2017	2016
Capital Lease Obligation	$ 2,508,627	$ 2,663,968
Bonds Payable	12,292,623	14,740,266
Total	$ 14,801,250	$ 17,404,234

During 2008, the Auxiliary issued the University of Florida Parking System Revenue Bonds, Series 2007A, in the par amount of $20,770,000 for the construction of Parking Garage No. 13. The facility opened in August 2009 and contains 940 structured parking spaces plus approximately 9,000 square feet of new office space for Transportation and Parking Services. At fiscal year-end, the Auxiliary had $14.8 million in bonds and notes outstanding.

Other Matters

The Auxiliary implemented a 2% increase in parking decal fees for 2013-2014, no increase for 2014-2015, a 4% increase for 2015-2016, no increase for 2016-2017, and a 7% increase for non-student decals in 2017-2018. In order to maintain financial break-even and provide for future long term maintenance, the Auxiliary may increase decal fees in subsequent years as needed.

At the start of the 2003-2004 fiscal year, the Auxiliary entered into an agreement with the University Athletic Association, a direct support organization of the University of Florida, providing for the exclusive use of certain parking facilities by the Athletic Association during home football games. Pursuant to this agreement, the University Athletic Association has contributed to the Auxiliary:

$200,000 in fiscal year 2003-2004
$200,000 in fiscal year 2004-2005
$200,000 in fiscal year 2005-2006
$265,000 in fiscal year 2006-2007
$265,000 in fiscal year 2007-2008
$300,000 in fiscal year 2008-2009
$354,500 in fiscal year 2009-2010
$372,250 in fiscal year 2010-2011
$391,000 in fiscal year 2011-2012
$443,785 in fiscal year 2012-2013
$452,660 in fiscal year 2013-2014
$444,068 in fiscal year 2014-2015
$467,007 in fiscal year 2015-2016
$460,735 in fiscal year 2016-2017

This agreement allows for future increases commensurate with decal price percentage increases and the number of spaces used.

A three-level, 350-space parking garage adjoins the Bookstore and Visitor Welcome Center, in which 273 spaces are operated as a pay facility generating weekday parking revenues.

Beginning in fall of 1998, the University began subsidizing off-campus bus service. Now all students, employees, employee spouses, and retirees may ride all on and off campus city buses "fare free." During Fiscal Year 2000, the Board of Regents authorized each University within the State University System to implement a Transportation Access Fee. This fee is established and collected based on the academic year, which runs from September to August. The fee as of September 2015 was $9.44 per credit hour. Based on projected fundable credit hours, this fee was to generate $11.9 million during the 2015-2016 academic year. The fee for September 2016 is $9.44 per credit hour. Based on projected fundable credit hours, this fee was to generate $11.9 million during the 2016-2017 academic year. The fee as of September 2017 remained unchanged. This revenue is used to subsidize and enhance transportation services both on and off campus.

UNIVERSITY OF FLORIDA TRANSPORTATION AND PARKING SERVICES
STATEMENT OF NET POSITION
(SEE ACCOUNTANTS' COMPILATION REPORT)
JUNE 30, 2017,
WITH COMPARATIVE TOTALS FOR JUNE 30, 2016

ASSETS AND DEFERRED OUTFLOWS

	Operating Fund	Transportation Fee Fund	Total 2017	Total 2016
Current Assets				
Cash and Temporary Investments (Note 2)	$ 14,368,024	$ 2,728,438	$ 17,096,462	$ 18,341,348
Petty Cash	2,625	0	2,625	2,625
Fines Receivable (Note 3)	128,262	0	128,262	183,926
Prepaid Expenses	104,320	0	104,320	58,021
Other Receivables (Note 3)	507,333	0	507,333	127,252
Total Current Assets	15,110,564	2,728,438	17,839,002	18,713,172
Capital Assets				
Buildings and Improvements, Net (Note 4)	33,206,854	0	33,206,854	35,268,498
Furniture and Equipment, Net (Note 4)	372,596	0	372,596	396,801
Total Capital Assets	33,579,450	0	33,579,450	35,665,299
Total Assets	48,690,014	2,728,438	51,418,452	54,378,471

LIABILITIES AND DEFERRED INFLOWS

	Operating Fund	Transportation Fee Fund	Total 2017	Total 2016
Current Liabilities				
Accounts Payable	116,147	2,195,664	2,311,811	2,150,406
Personnel Services Payable	49,147	0	49,147	43,799
Interest Payable (Note 7)	50,593	0	50,593	54,871
Unearned Revenue (Note 6)	1,060,343	0	1,060,343	975,163
Due to University of Florida	1,550	0	1,550	1,550
Current Portion of Long-term Debt (Note 7)	165,360	0	165,360	155,341
Total Current Liabilities	1,443,140	2,195,664	3,638,804	3,381,130
Long-term Liabilities				
Capital Lease Obligations (Note 7)	2,343,267	0	2,343,267	2,508,627
Bonds Payable (Note 7)	12,292,623	0	12,292,623	14,740,266
Compensated Absences Obligation (Note 5)	154,542	0	154,542	136,077
Total Long-term Liabilities	14,790,432	0	14,790,432	17,384,970
Total Liabilities	16,233,572	2,195,664	18,429,236	20,766,100

NET POSITION

	Operating Fund	Transportation Fee Fund	Total 2017	Total 2016
Net Position				
Net Investment in Capital Assets (Note 8)	20,839,844	0	20,839,844	18,261,065
Restricted for Renewal and Replacement (Note 8)	4,676,385	0	4,676,385	5,265,150
Restricted for Student Transportation (Note 8)	0	532,774	532,774	1,642,569
Unrestricted	6,940,213	0	6,940,213	8,443,587
Net Position	$ 32,456,442	$ 532,774	$ 32,989,216	$ 33,612,371

See accompanying notes.

UNIVERSITY OF FLORIDA TRANSPORTATION AND PARKING SERVICES
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
(SEE ACCOUNTANTS' COMPILATION REPORT)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017,
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016

	Operating Fund	Transportation Fee Fund	Total 2017	Total 2016
Operating Revenues				
Decal and Reserved Space Sales	$ 9,127,210	$ 0	$ 9,127,210	$ 8,650,404
Student Transportation Fees	0	12,091,211	12,091,211	11,619,041
Visitor and Patient Toll Parking	1,756,643	0	1,756,643	1,550,888
Shands Complimentary				
Parking Reimbursement	191,561	0	191,561	174,521
Fines Revenue	1,837,185	0	1,837,185	1,714,295
Special Events Parking	577,823	0	577,823	570,179
Metered Parking	75,290	0	75,290	79,995
Vehicle Assessment Revenue	177,000	0	177,000	175,625
Miscellaneous	150,323	0	150,323	150,552
Total Operating Revenues	13,893,035	12,091,211	25,984,246	24,685,500
Other Expenses				
Salaries and Fringe Benefits	2,409,739	321,962	2,731,701	2,589,306
Other Personnel Services	855,872	0	855,872	542,079
Auto Expense	55,446	56,718	112,164	75,792
Administrative	534,277	0	534,277	505,904
Bad Debt	361,318	0	361,318	155,884
Bus Rent	1,625,235	12,611,380	14,236,615	12,495,489
Compensated Absences (Note 5)	16,462	2,003	18,465	11,698
Depreciation (Note 4)	2,404,100	0	2,404,100	2,339,532
Insurance (Note 9)	44,934	0	44,934	36,566
Janitorial Supplies	377,768	0	377,768	353,003
Maintenance, Materials, and Supplies	761,573	0	761,573	654,001
Minor Equipment	19,937	6,301	26,238	39,115
Miscellaneous	185,456	743	186,199	214,153
Office Expense	163,239	42,237	205,476	100,756
Postage	22,249	0	22,249	21,666
Printing	31,396	966	32,362	21,260
Professional Services	11,400	0	11,400	9,300
Signage	33,422	0	33,422	28,527
Student Traffic Court	361,003	0	361,003	418,545
Taxes	7,754	0	7,754	14,228
Telephone	41,049	12,577	53,626	44,092
Travel	9,910	0	9,910	17,983
Uniforms	21,113	0	21,113	21,149
Utilities	394,323	0	394,323	429,017
(Total Operating Expenses)	(10,748,975)	(13,054,887)	(23,803,862)	(21,139,045)
Operating Income	3,144,060	(963,676)	2,180,384	3,546,455

See accompanying notes.

UNIVERSITY OF FLORIDA TRANSPORTATION AND PARKING SERVICES
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
(SEE ACCOUNTANTS' COMPILATION REPORT)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017,
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016
(Concluded)

	Operating Fund	Transportation Fee Fund	Total 2017	Total 2016
Nonoperating Revenues (Expenses)				
Investment Income	$ 26,468	$ 0	$ 26,468	$ 26,097
Other Nonoperating Revenues	24,310	0	24,310	0
Interest Expense (Note 7)	(817,499)	0	(817,499)	(892,476)
Other Nonoperating Expenses	(1,363)	0	(1,363)	(304,910)
Total Nonoperating Revenues (Expenses)	(768,084)	0	(768,084)	(1,171,289)
Contributions to/from Plant				
Parking Mitigation Fees (Note 14)	235,000	0	235,000	945,000
Contributions from UF (Note 14)	348,167	0	348,167	3,021,997
Contributions to Plant (Note 14)	(2,664,026)	0	(2,664,026)	(29,536)
Net Contributions	(2,080,859)	0	(2,080,859)	3,937,461
Operating Transfers				
Transfers in (Note 13)	191,523	0	191,523	506,368
Transfers (out) (Note 13)	0	(191,523)	(191,523)	(506,368)
Total Operating Transfers	191,523	(191,523)	0	0
Changes in Net Position	486,640	(1,155,199)	(668,559)	6,312,627
Net Position, Beginning of Year	31,969,802	1,642,569	33,612,371	27,299,744
Restatement (Note 15)	0	45,404	45,404	0
Net Position, Beginning of Year As Restated	31,969,802	1,687,973	33,657,775	27,299,744
Net Position, End of Year	$ 32,456,442	$ 532,774	$ 32,989,216	$ 33,612,371

See accompanying notes.

UNIVERSITY OF FLORIDA TRANSPORTATION AND PARKING SERVICES
STATEMENT OF CASH FLOWS
(SEE ACCOUNTANTS' COMPILATION REPORT)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017,
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016

	Operating Fund	Transportation Fee Fund	Total 2017	Total 2016
Cash Flows from Operating Activities				
Received from Decal and Reserved Space Sales	$ 8,832,309	$ 0	$ 8,832,309	$ 8,675,801
Received from Student Transportation Fees	0	12,091,211	12,091,211	11,619,041
Received from Visitor and Patient Toll Parking	1,948,204	0	1,948,204	1,725,409
Received from Fines	1,531,531	0	1,531,531	1,679,724
Received from Other Sources	980,436	0	980,436	976,351
Payments to Employees for Services, Including Benefits	(2,407,736)	(323,965)	(2,731,701)	(2,589,306)
Payments to Suppliers for Goods and Services	(5,593,457)	(12,585,970)	(18,179,427)	(15,910,118)
Net Cash Provided by (Used in) Operating Activities	5,291,287	(818,724)	4,472,563	6,176,902
Cash Flows from Noncapital Financing Activities				
Nonoperating Revenues	24,310	0	24,310	0
Contributions - SNAP	0	45,404	45,404	0
Nonoperating Expenses	(1,363)	0	(1,363)	(304,910)
Transfers in (Note 13)	191,523	0	191,523	506,368
Transfers (out) (Note 13)	0	(191,523)	(191,523)	(506,368)
Net Cash Provided by (Used in) Noncapital Financing Activities	214,470	(146,119)	68,351	(304,910)
Cash Flows from Capital and Related Financing Activities				
Furniture and Equipment Additions (Note 4)	(50,884)	0	(50,884)	(122,122)
Parking Mitigation Fees (Note 14)	235,000	0	235,000	945,000
Contributions from Plant (Note 14)	80,800	0	80,800	120,556
Contributions to Plant (Note 14)	(2,664,026)	0	(2,664,026)	(29,536)
Principal Paid on Long-term Debt (Note 7)	(2,636,944)	0	(2,636,944)	(1,791,288)
Interest Paid on Long-term Debt (Note 7)	(776,214)	0	(776,214)	(872,114)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(5,812,268)	0	(5,812,268)	(1,749,504)
Cash Flows from Investing Activities				
Investment Income	26,468	0	26,468	26,097
Net Increase in Cash and Cash Equivalents	(280,043)	(964,843)	(1,244,886)	4,148,585
Cash and Cash Equivalents, Beginning of Year	14,650,692	3,693,281	18,343,973	14,195,388
Cash and Cash Equivalents, End of Year	$ 14,370,649	$ 2,728,438	$ 17,099,087	$ 18,343,973

See accompanying notes.

UNIVERSITY OF FLORIDA TRANSPORTATION AND PARKING SERVICES
STATEMENT OF CASH FLOWS
(SEE ACCOUNTANTS' COMPILATION REPORT)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017,
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016
(Concluded)

	Operating Fund	Transportation Fee Fund	Total 2017	Total 2016
Components				
Cash and Temporary Investments	$ 14,368,024	$ 2,728,438	$ 17,096,462	$ 18,341,348
Petty Cash	2,625	0	2,625	2,625
Total	$ 14,370,649	$ 2,728,438	$ 17,099,087	$ 18,343,973
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating Income	$ 3,144,060	$ (963,676)	$ 2,180,384	$ 3,546,455
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:				
Depreciation	2,404,100	0	2,404,100	2,339,532
Provision for Uncollectible Accounts	361,318	0	361,318	155,884
Changes in Assets and Liabilities:				
Fines Receivable	(305,654)	0	(305,654)	(34,571)
Prepaid Expenses	(57,902)	0	(57,902)	49,242
Other Receivables	(380,081)	0	(380,081)	(651)
Accounts Payable	16,453	144,952	161,405	71,504
Other Personnel Services Payable	5,348	0	5,348	11,761
Unearned Revenue	85,180	0	85,180	26,048
Compensated Absences Obligations	18,465	0	18,465	11,698
Net Cash Provided by (Used in) Operating Activities	$ 5,291,287	$ (818,724)	$ 4,472,563	$ 6,176,902
Schedule of Noncash Transactions				
Disposals of Capital Assets (Note 4)				
Original Cost	$ 52,050	$ 0	$ 52,050	$ 15,082
(Accumulated Depreciation)	(52,050)	0	(52,050)	(15,082)
Book Value	$ 0	$ 0	$ 0	$ 0
Contributions from Plant	$ 267,367	$ 0	$ 267,367	$ 2,901,441

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS
(SEE ACCOUNTANTS' COMPILATION REPORT)
UNIVERSITY OF FLORIDA TRANSPORTATION AND PARKING SERVICES
JUNE 30, 2017

Note 1 - Significant Accounting Policies

Reporting Entity

Transportation and Parking Services (the Auxiliary) is an auxiliary enterprise of the University of Florida (the University), and is reported as such on the University's financial statements. The University is a separate public instrumentality that is part of the State university system of public universities, which is under the general direction and control of the Florida Board of Governors. The University is directly governed by a Board of Trustees (Trustees) consisting of thirteen members. The 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 Florida Board of Governors Regulations.

Assets reported herein as assets of the Auxiliary, are the property of the University and the State of Florida. Liabilities are obligations of the University. There are no deferred inflows or outflows related to the Auxiliary. These financial statements are intended to present the net position, changes in net position, and cash flows of only that portion of the funds and account groups of the University that is attributable to the transactions of the Auxiliary.

The financial statements of the Auxiliary have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting.

Funds and Basis of Accounting

These financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments,* and Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities.* Under GASB Statements No. 34 and No. 35, the combined activities of the Auxiliary are required to be reported in enterprise funds. These financial statements reflect only the fund financial statement presentation for the Auxiliary.

The Auxiliary reports its activities in two separate enterprise funds. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues, or expenses of total enterprise funds) for the determination of major funds. The Auxiliary has no nonmajor funds, and reports the following two major funds:

- Operating Fund—to record all balances and transactions not accounted for in the Transportation Fee Fund.

- Transportation Fee Fund—to record the receipt and expenditure of the student per credit-hour transportation fee.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting is related to the timing of the measurements made, regardless of the measurement focus applied.

Financial statements of the Auxiliary are prepared on the accrual basis of accounting in which transactions are recognized when they occur, regardless of the timing of related cash flows.

Note 1 - Significant Accounting Policies *(Concluded)*

Funds and Basis of Accounting *(Concluded)*

For purposes of the statement of cash flows, cash and cash equivalents include investments with an original maturity of less than ninety days.

Capital assets reported in the statement of net position are recorded at original cost at the date of acquisition or at fair market value at the date of donation, in the case of gifts. Contributions of assets received from other entities within the University of Florida are recorded at book value when received. Depreciation is provided using the straight-line method over estimated useful lives as follows:

	Lives
Furniture and Equipment	3-15 Years
Buildings and Improvements	30 Years

Subsequent Events

The Auxiliary has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through January 12, 2018, the date of the accompanying compilation report.

Note 2 - Cash and Temporary Investments

The Auxiliary's deposits and investments are pooled with the University's deposits and investments, and are not separately identified. Collateral for deposits is arranged through the State Treasurer under Section 280, Florida Statutes, and these deposits are considered fully insured and collateralized. Section 1011.42(5), Florida Statutes, authorizes universities to invest funds with the State Treasurer and State Board of Administration, and requires the 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 Statues.

Pursuant to Section 218.415(16), Florida Statutes, the University is authorized to invest in the Florida PRIME investment pool administered by the State Board of Administration; 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.

The additional disclosures required by GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, are not applicable to the Auxiliary since it has no direct investments.

NOTES TO FINANCIAL STATEMENTS
(SEE ACCOUNTANTS' COMPILATION REPORT)
UNIVERSITY OF FLORIDA TRANSPORTATION AND PARKING SERVICES
JUNE 30, 2017
(Continued)

Note 3 - Receivables

Receivables consist primarily of fines receivable, grants receivable, returned checks, due from others, and other miscellaneous amounts. Following is a detail of net receivables at June 30:

Operating Fund:

	2017	2016
Fines Receivable	$ 1,431,568	$ 1,279,261
(Allowance for Bad Debts)	(1,303,306)	(1,095,335)
Net Fines Receivable	$ 128,262	$ 183,926
Other Receivables:		
UAA Football Parking	$ 460,735	$ 0
Returned Checks	4,010	4,179
Returned Check Fees	1,080	1,060
Other	41,508	122,013
Total Other Receivables	$ 507,333	$ 127,252

Note 4 - Capital Assets

Buildings, parking garages, and all parking lots financed through the revenue bond issues have been capitalized on the books of the Auxiliary. New construction projects which add square footage to the University of Florida facilities are also capitalized. Paved parking lots, access roads, and large remodeling or renovation projects, which are financed with operating revenues, are only capitalized if they extend the useful life of a component part of the building by two or more years and meet one or both of the following criteria: the cost exceeds $250,000; the costs are 25% or more than the original cost of the building. All equipment over $5,000 purchased with operating revenues and used in the operations of the parking system, is also capitalized.

Following is the original cost and accumulated depreciation of capital assets at June 30:

	2017	2016
Buildings and Improvements	$ 77,770,336	$ 77,502,969
(Accumulated Depreciation)	(44,563,482)	(42,234,471)
Book Value	$ 33,206,854	$ 35,268,498
Furniture and Equipment	$ 953,313	$ 954,479
(Accumulated Depreciation)	(580,717)	(557,678)
Book Value	$ 372,596	$ 396,801

Depreciation expense was $2,404,100 and $2,339,532 for the years ended June 30, 2017 and 2016, respectively.

Note 4 - Capital Assets *(Concluded)*

Following is a summary of the changes in capital assets for the year ended June 30, 2017:

	June 30, 2016	Additions	Disposals	June 30, 2017
Cost				
Buildings and Improvements	$ 77,502,969	$ 267,367	$ 0	$ 77,770,336
Furniture and Equipment	954,479	50,884	(52,050)	953,313
Total	$ 78,457,448	$ 318,251	$ (52,050)	$ 78,723,649
Accumulated Depreciation				
Buildings and Improvements	$ (42,234,471)	$ (2,329,011)	$ 0	$ (44,563,482)
Furniture and Equipment	(557,678)	(75,089)	52,050	(580,717)
Total	$ (42,792,149)	$ (2,404,100)	$ 52,050	$ (45,144,199)

Following is a summary of the changes in capital assets for the year ended June 30, 2016:

	June 30, 2015	Additions	Disposals	June 30, 2016
Cost				
Buildings and Improvements	$ 74,601,528	$ 2,901,441	$ 0	$ 77,502,969
Furniture and Equipment	847,439	122,122	(15,082)	954,479
Total	$ 75,448,967	$ 3,023,563	$ (15,082)	$ 78,457,448
Accumulated Depreciation				
Buildings and Improvements	$ (39,945,213)	$ (2,289,258)	$ 0	$ (42,234,471)
Furniture and Equipment	(522,486)	(50,274)	15,082	(557,678)
Total	$ (40,467,699)	$ (2,339,532)	$ 15,082	$ (42,792,149)

Note 5 - Compensated Absences

Employees earn the right to be compensated during absences for annual leave (vacation) and sick leave 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. GASB Statement No. 16 requires that the Auxiliary accrue a liability for employees' vested right to receive compensation for leave earned.

The change in accrued compensated absences from the beginning of each year to the end of each year is shown as an operating expense.

Note 6 - Unearned Revenue

Unearned revenue represents the unearned portion of collections for reserved space and decal sales as of year-end, and deferred vehicle assessment revenue.

Note 7 - Long-term Debt

Following is a summary of changes in Long-term Debt for the year ended June 30, 2017:

	Balance 06/30/16	Additions	Scheduled Payments/ Other Reductions	Pre-Payments	Balance 06/30/17	Due Within One Year
Revenue Bonds - Par						
1998 Series	$ 1,490,000	$ 0	$ (1,490,000)	$ 0	$ 0	$ 0
2007A Series	13,375,000	0	0	(980,000)	12,395,000	0
Total - at Par	14,865,000	0	(1,490,000)	(980,000)	12,395,000	0
(Unamortized Discount)	(124,734)	0	22,357	0	(102,377)	0
Total Revenue Bonds, Net	14,740,266	0	(1,467,643)	(980,000)	12,292,623	0
Capital Lease Obligations						
Garage No. 6	610,069	0	(60,651)	0	549,418	64,562
Garage No. 10	2,053,899	0	(94,690)	0	1,959,209	100,798
Accrued Compensated Absences	136,077	18,465	0	0	154,542	0
Total Long-term Debt	$ 17,540,311	$ 18,465	$ (1,622,984)	$ (980,000)	$ 14,955,792	$ 165,360

Capital Lease Obligations

- **Garage No. 6**

  On June 8, 1994, the former Board of Regents, on behalf of the University, entered into a lease agreement with the University of Florida Foundation, Inc. (the Foundation), a direct-support organization and component unit of the University.

  Under the terms of the agreement, the University agreed to lease from the Foundation a 607-space parking garage (Garage 6) located near the Health Center Administrative Offices for a period of thirty years beginning July 1, 1994. Rent of $100,000 annually is due each July 1. Garage 6 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 nonrecourse mortgage containing similar payment terms as the lease agreement between the Foundation and the University.

  Annual payments of $100,000 for thirty years from the Auxiliary to the Foundation and from the Foundation to Shands were based on an original construction cost of $3,000,000 and 0% interest.

  For reporting purposes, the lease is considered a capital lease under GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.* The initial obligation was discounted at an imputed interest rate of 6.45% and was recorded at $1,382,470 at June 30, 1994. The asset was recorded at the cost to Shands of $3,000,000, and a contribution for the difference ($1,617,530) was reported as an increase in net position for the year ended June 30, 1994. The outstanding principal balance of the obligation is $549,418 and $610,069 at June 30, 2017 and 2016, respectively. Minimum lease payments are $100,000 annually.

Note 7 - <u>Long-term Debt</u> *(Continued)*

Capital Lease Obligations *(Concluded)*

- **Garage No. 10**
  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 Auxiliary agreed to lease from Shands an 800-space parking garage (Garage 10) located near the Health Center Administrative Offices for a period of thirty years beginning March 1, 2000. Rent of $227,167 annually is due each May 1, beginning May 1, 2001.

Annual payments were based on an original construction cost of $6,815,002 and 0% interest.

For reporting purposes, the lease is considered a capital lease under GASB Statement No. 62. The initial obligation was discounted at an imputed interest rate of 6.45% and was recorded at $2,981,938. The asset was recorded at the cost to Shands of $6,815,002, and a contribution for $3,833,064 was reported as a *Special Item* for the year ended June 30, 2000. The outstanding principal balance of the obligation is $1,959,209 and $2,053,899 at June 30, 2017 and 2016, respectively. Minimum lease payments are $227,167 annually.

Parking Facility Revenue Bonds
Prior to July 1, 2001, the former Board of Regents, created by and operating under the provisions of Chapters 240 and 243, Florida Statutes, had jurisdiction over the complete management, possession, and control of the State University System, including the University and Auxiliary. The Division of Bond Finance of the State Board of Administration (the Division), created by and existing under the provisions of the *State Bond Act*, Sections 215.57-215.83, Florida Statutes, is authorized to issue all bonds pledging the full faith and credit of the State of Florida and to issue all revenue bonds on behalf of state agencies.

- **Series 1998**
  By resolutions adopted on May 29, 1998, the former Board of Regents requested the Division to proceed with the preparation of proceedings required for the issuance of the 1998 bonds.

  By resolutions duly adopted on June 8, 1993 and June 9, 1998, the Governor and Cabinet of the State of Florida, as the Governing Board of the Division, authorized the issuance of not exceeding $10,000,000 State of Florida, Board of Regents, University of Florida Parking Facility Revenue Bonds, Series 1998 (the 1998 Bonds).

  The Governing Board of the Division authorized the sale of the 1998 Bonds on November 8, 1998, and the Board of Administration approved the fiscal sufficiency of the 1998 Bonds on November 10, 1998. The 1998 Bonds are dated December 15, 1998, in the total principal amount of $10,000,000. They were issued for the following purposes:

  a. To pay a portion of the costs of constructing and equipping two new parking garages.
  b. To purchase a municipal bond insurance policy and a debt service reserve account surety bond.
  c. To pay issuance costs.

Note 7 - Long-term Debt *(Continued)*

Parking Facility Revenue Bonds *(Continued)*

- **Series 1998 *(Concluded)***

  The 1998 Bonds and the interest payable thereon were special limited obligations of the former Board of Regents on behalf of the University, payable solely from and secured as to the payment of principal and interest, on a parity with the outstanding 1993 Bonds by a lien on the pledged revenues derived from the operations of the parking system. The pledged revenues are the parking system revenues after deducting certain administrative expenses and the rebate amount. The payment of principal and interest on the 1998 Bonds is additionally secured by a municipal bond insurance policy, and a debt service reserve account surety bond. Effective July 1, 2001, these obligations were assumed by the University.

  The 1998 Bonds originally matured serially each August 1 from 2000 through 2019. The 1998 Bonds were paid off entirely in 2017 and no future payments are due. The serial bonds carried interest rates varying from 3.65% to 4.75%. The outstanding principal balance was $0 and $1,490,000 at June 30, 2017 and 2016, respectively.

- **Series 2007A**

  On October 25, 2007, the Board of Governors issued the State of Florida, Board of Governors, University of Florida Parking Facility Revenue Bonds, Series 2007A (the 2007A Bonds). The 2007A Bonds are dated September 1, 2007, in the total principal amount of $20,770,000. They were issued for the following purposes:

  a. To finance the construction of a parking facility on the main campus of the University of Florida.
  b. To purchase a municipal bond insurance policy and a reserve account surety bond.
  c. To pay issuance costs.

  The 2007A Bonds and the interest payable thereon were special limited obligations of the Board of Governors on behalf of the University, payable solely from and secured as to the payment of principal and interest, on a parity with the outstanding 1993 and 1998 Bonds by a lien on the pledged revenues derived from the operations of the parking system.

  The pledged revenues are the parking system revenues after deducting certain administrative and current expenses, and the rebate amount. The payment of principal and interest on the 1998 Bonds is additionally secured by a municipal bond insurance policy, and a debt service reserve account surety bond.

  The 2007A Bonds mature serially each August 1 from 2008 through 2027. The serial bonds carry interest rates varying from 3.40% to 4.375%. The outstanding principal balance was $12,395,000 and $13,375,000 at June 30, 2017 and 2016, respectively.

Note 7 - Long-term Debt *(Continued)*

Parking Facility Revenue Bonds *(Concluded)*

- **Series 2007A *(Concluded)***

  The following schedule details, by fiscal year, future payment requirements on the 2007A Bonds. Principal is payable annually on the first day of August and interest is payable twice annually on the first day of August and February:

Fiscal Year	Principal	Interest	Total
2018	$ 0	$ 537,411	$ 537,411
2019	1,020,000	497,411	1,517,411
2020	1,065,000	455,711	1,520,711
2021	1,110,000	411,519	1,521,519
2022	1,155,000	364,803	1,519,803
2023-2027	6,560,000	1,041,888	7,601,888
2028-2029	1,485,000	32,486	1,517,486
Total	$ 12,395,000	$ 3,341,229	$ 15,736,229

Note: The fiscal 2017 principal and interest payment due on August 1, 2016, was prepaid in fiscal 2016. The fiscal 2018 principal and interest payment due on August 1, 2017, was prepaid in fiscal 2017. Accordingly, no principal payment is shown above as due in 2018.

Summary

Following is a summary of the remaining principal requirements of all long-term debt:

Fiscal Year	Capital Lease Obligations Garage No. 6	Capital Lease Obligations Garage No. 10	Revenue Bond 2007A
2018	$ 64,562	$ 100,798	$ 0
2019	68,726	107,299	1,020,000
2020	73,160	114,221	1,065,000
2021	77,878	121,587	1,110,000
2022	82,902	129,430	1,155,000
2023-2027	182,190	783,675	6,560,000
2028-2032	0	602,199	1,485,000
Subtotal	549,418	1,959,209	12,395,000
(Bond Discount)	0	0	(102,377)
Total Outstanding	549,418	1,959,209	12,292,623
(Current Portion)	(64,562)	(100,798)	0
Long-term Portion	$ 484,856	$ 1,858,411	$ 12,292,623
Combined		$ 2,343,267	

Bond Discount Amortization

Original issue bond discounts of $87,028 and $186,139, for the 1998 and 2007A Bonds, respectively, are being amortized using the straight-line method over the remaining terms of the respective bonds, beginning in the year following the year of issuance.

Note 7 - Long-term Debt *(Concluded)*

Bond Discount Amortization *(Concluded)*
Amortization of bond discounts during the years ended June 30, 2017 and 2016, respectively, were $13,050 and $4,352 (1998 Bonds), and $9,307 for both years (2007A Bonds), and is included in interest expense. The unamortized balances at June 30, 2017 and 2016, were $0 and $13,050 (1998 Bonds), respectively, and $102,377 and $111,684 (2007A Bonds), respectively.

Interest
Interest paid on the above debt amounted to $776,215 and $872,114 for the years ended June 30, 2017 and 2016, respectively. No interest was capitalized during 2016 or 2015. Interest payable of $50,593 and $54,871, as of June 30, 2017 and 2016, respectively, has been accrued as a liability. Prepaid interest of $46,418 and $58,021 is reported as of June 30, 2017 and 2016, respectively.

Note 8 - Net Position

Following are the components of Net Position – Net Investment in Capital Assets at June 30:

	2017	2016
Capital Assets	$ 33,579,450	$ 35,665,299
Long-term Debt	(14,801,250)	(17,404,234)
Net Investment in Capital Assets	$ 18,778,200	$ 18,261,065

Net Asset Restrictions
Net position totaling $4,676,385 and $5,265,150 is restricted in the operating fund for renewal and replacement at June 30, 2017 and 2016, respectively. Bond covenants require 2% of the net capital assets be set aside for renewal and replacement. Net position in the transportation fee fund is restricted for the transportation fee program.

Note 9 - Insurance

Pursuant to Section 1001.72(3), Florida Statutes, the University and Auxiliary participates in State self-insurance programs providing insurance coverage for property and casualty, workers' compensation, general liability, Federal Civil Rights, and fleet automotive liability.

The State generally retains the first $2 million of losses per occurrence for all perils except named windstorm and flood, with an annual aggregate retention of $40 million for named wind and flood losses and no 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 $85 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 per occurrence; 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.

Note 9 - <u>Insurance</u> *(Concluded)*

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 years. Beginning in 2010, workers' compensation insurance is paid to the University through the fringe benefit pool and not separately stated. Total premium assessments for the Auxiliary for the years ended June 30, 2017 and 2016, were $44,934 and $36,566 (excluding workers' compensation), respectively.

Note 10 - <u>Pension Plans</u>

Membership in the Florida Retirement System (FRS) is required for all full-time and part-time employees in regularly established positions for state agencies, county governments, district school boards, state universities and state community colleges, or cities, independent special districts, metropolitan planning districts, and public charter schools that make an irrevocable election to participate. Certain members, including elected officials and local government senior managers, may elect to not participate in the system. The FRS Pension Plan is a cost-sharing, multiple employer, defined benefit public retirement system administered by the State of Florida, Division of Retirement. The FRS also offers eligible employees participation in an alternative defined contribution plan (the Investment Plan).

During its 2011 regular session, the State Legislature adopted legislation that made significant changes to the FRS with respect to employee contributions, employer contributions, and other items. These changes have been incorporated into the remainder of this Note.

For employees participating in the FRS Pension Plan, the normal retirement date depends on the employee's FRS enrollment date. For employees initially enrolled before July 1, 2011, normal retirement is reached at or after age 62 with six years of credited service or with 30 years of service regardless of age. For employees initially enrolled after July 1, 2011, normal retirement is reached at or after age 65 with eight years of credited service, or with 33 years of service regardless of age.

The normal retirement benefit is payable monthly for life, at one-twelfth the yearly benefit. The yearly benefit depends on the membership class and payment option chosen. Under option one, a benefit for the retiree's life only, the yearly benefit at normal retirement is equal to 1.6% for regular employees, 2% for senior management, and 3% for special risk and county elected officials, for each year of credited service times their average final compensation. Benefits are increased annually by a cost of living adjustment (COLA), except that there is no COLA on service earned on or after July 1, 2011. Average final compensation is the employee's average of the five highest years of salary earned during credited service (eight if the employee is initially enrolled on or after July 1, 2011).

Vesting in the FRS Pension Plan occurs with six years of creditable service (eight years if initially enrolled on or after July 1, 2011). Vested employees may retire early and receive retirement benefits that are reduced 5% for each year the actual retirement date precedes the normal retirement age. Employees participating in the Investment Plan are vested after one year of service with no age requirement. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S-4, *Florida Administrative Code*.

Note 10 - Pension Plans *(Concluded)*

The Deferred Retirement Option Program (DROP) is available under the FRS Pension Plan when the member first reaches eligibility for normal retirement. DROP allows a member to retire while continuing employment for up to sixty months. While in the DROP, the member's retirement benefits accumulate in the FRS trust fund (increased by a COLA each July, but only through July 2011) and earn monthly interest equivalent to an annual rate of 6.50% (1.30% for employees entering DROP on or after July 1, 2011). When the DROP period ends, the DROP account is paid out as a lump sum payment, a rollover, or a combination, and monthly benefits are subsequently paid to the member in the amount as calculated upon entry into DROP, plus cost-of-living adjustments for intervening years, where applicable. In most cases, the DROP participant must cease employment when the DROP period ends.

The Florida Legislature annually establishes the uniform contribution rate system for the FRS covering both the FRS Pension Plan and the Investment Plan. Prior to July 1, 2011, members were not required to make employee contributions; the employers paid all required contributions. Effective July 1, 2011, all FRS Investment Plan, and Pension Plan members (except those in the DROP) are required to contribute 3% of their gross compensation on a pre-tax basis. Actuarial information and related disclosures attributable to the Auxiliary's employees are not determinable. The contribution rates by member class are as follows: regular employees 7.52% for 2017 and 7.26% for 2016, DROP employees 12.99% for 2017 and 12.88% for 2016, and senior management 21.77% for 2017 and 21.43% for 2016. For the years ended June 30, 2017 and 2016, the Auxiliary contributed to a fringe benefit pool and the amount of retirement contributions was not separately determined.

The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. That report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or by calling (850) 488-5706.

Employers participating in cost-sharing multiple-employer defined benefit plans are required to report their proportionate share of the plan's unfunded net pension liability, and related deferred inflows/outflows. This information has not been calculated separately for the Auxiliary. Therefore, pension cost herein represents amounts actually due and paid during each year.

Note 11 - Postemployment Healthcare Benefits

Pursuant to the provisions of Section 112.0801, Florida Statutes, all employees who retire from the University (including the Auxiliary) 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, 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.

Note 11 - Postemployment Healthcare Benefits *(Concluded)*

Plan benefits are pursuant to provisions of Section 112.0801, Florida Statutes, and benefits and contributions can be amended by the Florida Legislature. The State has not advance-funded Other Postemployment Benefit (OPEB) costs or the net OPEB obligation. Premiums necessary for funding the Plan each year on a pay-as-you-go basis are established by the Governor's recommended budget and the *General Appropriations Act*.

Information is not available to calculate the separate obligation, annual expense, or disclosures of the Auxiliary in the University Plan. For the 2015-16 fiscal year, 2,722 retirees received postemployment healthcare benefits. The University provided required contributions of $12,415,000 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. The net amount of retiree contributions totaled $18,370,000.

As of July 1, 2015, the most recent actuarial valuation date for the Plan, the actuarial accrued liability for benefits was $782,069,000 and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability of $782,069,000. The covered payroll (annual payroll of active participating employees) was $1,120,515,686 for the fiscal year ended June 30, 2016, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 69.8%.

Note 12 - Related Party Transactions

The Auxiliary, in the course of normal operations, purchases goods and services from other University of Florida departments. These goods and services include auxiliary overhead, administrative, computing, janitorial, postage, printing, utilities, and telephone. During fiscal years 2017 and 2016, expenditures to other University of Florida departments amounting to approximately $4,734,091 and $2,106,773, respectively, have been included on the statements of revenues, expenses, and changes in net position.

Note 13 - Interfund Transfers

Transfers of $191,523 from the transportation fee fund to the operating fund during 2017 were for the reimbursement of costs incurred in connection with the Gator Lift Program ($193,500) less PeopleSoft receivables ($1,977).

Transfers of $506,368 from the transportation fee fund to the operating fund during 2016 were for the reimbursement of costs incurred in connection with the Gator Lift Program ($193,500), reimbursement of Snap Van Service ($310,292), and UBER ($8,821) less credits for Gotcha Group Expenses ($5,480) and PeopleSoft receivables ($765).

Note 14 - Contributions to/from Plant

Parking Mitigation Fees are charged to projects when a new building is constructed over existing parking spaces. Contributions to Plant represent amounts transferred during the year from the Auxiliary to the University for the construction or renovation of certain parking or transportation structures. Amounts totaled $2,664,026 in 2017 and $29,536 in 2016. Those improvements that meet the criteria for capitalization by the Auxiliary, if any, will be recorded as buildings and improvements upon completion.

Cash returns of $80,800, representing unexpended project costs, were received back from the University in 2017. In addition, completed buildings and improvements costing $267,367, were added back to the Auxiliary's statement of net position in 2017.

Note 15 - Adjustments to Beginning Net Position

Prior to fiscal year 2017, the University of Florida Police Department (UPD) supervised the Student Nighttime Auxiliary Patrol (SNAP) operation, and the Auxiliary made periodic cash transfers to UPD to cover expenses. In fiscal year 2017, the Auxiliary assumed responsibility for the SNAP operation. The remaining SNAP funds at the UPD were transferred back to the Auxiliary. This resulted in a restatement of beginning net position in the Transportation Fee Fund, as stated below:

Beginning Net Position, As Originally Reported	$ 1,642,569
Restatement	45,404
Net Position, Beginning of Year, As Restated	$ 1,687,973

APPENDIX J

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 $39,070,000 State of Florida, Board of Governors, University of Florida Parking Facility Revenue Bonds, Series 2018A (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 March 14, 2017, providing for the issuance of the Bonds (the "Resolution"). The Board, the University and the Division covenant and agree as follows:

SECTION 1. PURPOSE OF THE DISCLOSURE AGREEMENT. This Disclosure Agreement is being executed and delivered by the Board, the University and the Division for the benefit of the Registered Owners and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission (the "SEC"). It shall inure solely to the benefit of the Board, the University, the Division, the Registered Owners, the Beneficial Owners and the Participating Underwriters.

SECTION 2. DEFINITIONS. In addition to the definitions set forth in the Resolution, 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 information as may be required to be provided, from time to time, 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, 2018 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) Number of parking spaces;
(b) Parking rates and number of decals sold by category;
(c) Comparison of budget to actual for fiscal year;
(d) Historical statement of operations (unaudited);
(e) Historical summary of balance sheet data (unaudited);
(f) Historical debt service coverage;
(g) Investment of funds;
(h) Parking System financial statements;
(i) University financial statements; and
(j) Litigation.

(2) Audited Financial Statements. If not submitted as part of the annual financial information, a copy of the University's audited financial statements, prepared in accordance with generally accepted accounting principles, will be provided when and if available.

(3) Material Events Notices. Notice of the following events relating to the Bonds will be provided in a timely manner not in excess of ten business days after the occurrence of the event:

(a) principal and interest payment delinquencies;
(b) non-payment related defaults, if material;
(c) unscheduled draws on debt-service reserves reflecting financial difficulties;
(d) unscheduled draws on credit enhancements reflecting financial difficulties;
(e) substitution of credit or liquidity providers, or their failure to perform;
(f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
(g) modifications to rights of security holders, if material;
(h) bond calls, if material, and tender offers;
(i) defeasances;
(j) release, substitution or sale of property securing repayment of the securities, if material;
(k) rating changes;
(l) bankruptcy, insolvency, receivership or similar event of the obligated person;
(m) the consummation of merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
(n) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(4) Failure to Provide Annual Financial Information; Remedies.

(a) Notice of the failure of the Board or the University to provide the information required by paragraphs (A) (1) or (A)(2) of this Section will be provided in a timely manner.

(b) The Board and the University acknowledge that their undertaking pursuant to the Rule set forth in this Section is for the benefit of the Beneficial Owners and Registered Owners of the Bonds and shall be enforceable only by such Beneficial Owners and Registered Owners; provided that the right to enforce the provisions of such undertaking shall be conditioned upon the same enforcement restrictions as are applicable to the information undertakings in the Resolution and shall be limited to a right to obtain specific enforcement of the Board's and the University's obligations hereunder.

(B) Method of Providing Information.

(1) (a) Annual financial information and operating data described in paragraph 3(A)(1) and the audited financial statements described in paragraph 3(A)(2) shall be transmitted to the Municipal Securities Rulemaking Board (hereafter "MSRB") using the MSRB's Electronic Municipal Market Access System ("EMMA") or by such other method as may be subsequently determined by the MSRB.

(b) Material event notices described in paragraph 3(A)(3) and notices described in paragraph 3(A)(4) shall also be transmitted to the MSRB using EMMA or by such other method as may be subsequently determined by the MSRB.

(2) (a) Information shall be provided to the MSRB in an electronic format as prescribed by the MSRB, either directly, or indirectly through an indenture trustee or a designated agent.

(b) All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(C) If this Disclosure Agreement is amended to change the operating data or financial information to be disclosed, the annual financial information containing amended operating data or financial information will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

(D) The Board's and the University's obligations hereunder shall continue until such time as the Bonds are no longer Outstanding or until the Board and the University shall otherwise no longer remain obligated on the Bonds.

(E) This Disclosure Agreement may be amended or modified so long as:

(1) any such amendments are not violative of any rule or regulation of the SEC or MSRB, or other federal or state regulatory body;

(2) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person, or type of business conducted;

(3) this Disclosure Agreement, as amended, would have complied with the requirements of Rule 15c2-12 of the SEC at the time of the primary offering, after taking into account any amendments or interpretations of the rule, as well as any change in circumstances; and

(4) the amendment does not materially impair the interests of Beneficial Owners or Registered Owners, as determined either by parties unaffiliated with the issuer or obligated person (such as bond counsel), or by approving vote of the Beneficial Owners and Registered Owners pursuant to the terms of the Resolution at the time of the amendment.

SECTION 4. ADDITIONAL INFORMATION. If, when submitting any information required by this Disclosure Agreement, the Board or the University chooses to include additional information not specifically required by this Disclosure Agreement, neither the Board nor the University shall have any obligation to update such information or include it in any such future submission.

Dated this 25th day of October, 2018.

Board of Governors	Division of Bond Finance
By ________________________ Chair	By ________________________ Assistant Secretary

University of Florida

By ________________________
President

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[FORM OF BOND COUNSEL OPINION]

October 25, 2018

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:

$39,070,000
STATE OF FLORIDA
BOARD OF GOVERNORS
UNIVERSITY OF FLORIDA
PARKING FACILITY REVENUE BONDS
SERIES 2018A
Dated October 25, 2018
(the "Bonds")

The Bonds are being issued by the Division of Bond Finance on behalf of the Board, for the purpose of financing the construction of a parking facility on the main campus of the University of Florida, refunding certain of the outstanding State of Florida, Board of Governors, University of Florida Parking Facility Revenue Bonds, Series 2007A, and to pay certain costs of issuing the Bonds, under the authority of and in full compliance with the Constitution and Statutes of the State of Florida, including particularly Sections 215.57-215.83, Florida Statutes, and Section 1010.62, Florida Statutes, and other applicable provisions of law. The principal of, premium, if any, and interest on the Bonds will be payable from the Pledged Revenues (as defined in the hereinafter defined Resolution).

The Bonds do not constitute a general obligation of the State of Florida (the "State") 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 said Bonds pursuant to the Constitution and statutes of the State and pursuant to a resolution authorizing the issuance and sale of the Bonds duly adopted by the Governing Board of the Division of Bond Finance on June 8, 1993, as amended and supplemented by a resolution adopted on June 12, 2007 and as amended by a resolution adopted on September 19, 2007 and as supplemented by resolutions adopted on March 14, 2017 (collectively, the "Resolution").

2. The Bonds (i) have been duly authorized, executed and delivered by the Division of Bond Finance and the Board and (ii) are valid and binding special obligations of the Board enforceable in accordance with their terms, payable solely from the sources provided therefor in the Resolution.

3. The Bonds and the income thereon are not subject to any State tax except estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended.

4. The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements which must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the Bonds to be included in federal gross income retroactive to the date of issuance of the Bonds, regardless of the date on which such non-compliance occurs or is ascertained. The Division of Bond Finance and the Board have covenanted in the Resolution to comply with such requirements in order to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

Subject to compliance by the Division of Bond Finance and the Board with the aforementioned covenants, (a) interest on the Bonds is excluded from gross income for purposes of federal income taxation, and (b) interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax. 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 for taxable years that began prior to January 1, 2018. The alternative minimum tax on corporations was repealed for taxable years beginning on and after January 1, 2018. 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 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 the Official Statement or other offering material relating to the Bonds and we express no opinion herein relating thereto.

Respectfully submitted,

BRYANT MILLER OLIVE P.A.

PROVISIONS FOR BOOK-ENTRY ONLY SYSTEM OR REGISTERED BONDS

The Depository Trust Company and Book-Entry Only System

THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE DIVISION BELIEVES TO BE RELIABLE; HOWEVER, THE DIVISION TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the State of Florida, Board of Governors, University of Florida Parking Facility Revenue Bonds, Series 2018A (the "2018A Bonds"). The 2018A 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 2018A Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities and Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and together with Direct Participants, the "Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission.

Purchases of the 2018A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2018A Bonds on DTC's records. The ownership interest of each actual purchaser of each 2018A 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 2018A 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 2018A Bonds, except in the event that use of the book-entry system is discontinued.

To facilitate subsequent transfers, all 2018A 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 2018A 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 2018A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2018A 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 2018A Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the 2018A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2018A Bond documents. For example, Beneficial Owners of 2018A Bonds may wish to ascertain that the nominee holding the 2018A 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 2018A 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 2018A Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Division as soon as practicable after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2018A 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 2018A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the Bond Registrar/Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, (nor its nominee), the Bond Registrar/Paying Agent, the Division, or the Florida Board of Governors (the "Board"), subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Bond Registrar/Paying Agent; disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services with respect to the 2018A Bonds at any time by giving reasonable notice to the Division or Bond Registrar/Paying Agent and discharging its responsibilities with respect thereto under applicable law. The Division may decide to discontinue use of the system of book-entry transfers for the 2018A 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 2018A Bonds will be printed and delivered as provided in the documents authorizing the issuance and sale of the 2018A Bonds.

For every transfer and exchange of beneficial interests in the 2018A 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 2018A Bonds, references herein to the Registered Owners or Holders of the 2018A Bonds shall mean Cede & Co. and not mean the Beneficial Owners of the 2018A Bonds unless the context requires otherwise.

The Division, the Board and the Bond Registrar/Paying Agent will not have any responsibility or obligation with respect to:

(i) the accuracy of the records of DTC, its nominee or any DTC Participant or any successor securities depository, participants thereof or nominee thereof with respect to any beneficial ownership interest in the 2018A 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 2018A 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 2018A Bonds, or the purchase price of, any 2018A 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 2018A Bonds for partial redemption.

So long as the 2018A Bonds are held in book-entry only form, the Division, the Board and the Bond Registrar/Paying Agent may treat DTC and any successor Securities Depository as, and deem DTC and any successor Securities Depository to be, the absolute owner of the 2018A Bonds for all purposes whatsoever, including, without limitation:

(i) the payment of the principal of, premium, if any, and interest on the 2018A Bonds;

(ii) giving notices of redemption and other matters with respect to the 2018A Bonds;

(iii) registering transfers with respect to the 2018A Bonds; and

(iv) the selection of the beneficial ownership interests in the 2018A Bonds for partial redemption.

Payment, Registration, Transfer and Exchange

The following provisions shall only be applicable if the book-entry-only system of registration is discontinued; for provisions which are applicable while the book-entry only system of registration is in effect, see "Book-Entry Only System" above.

The Division, the Board and the Bond Registrar/Paying Agent may treat the Registered Owner of any 2018A Bond as the absolute owner for all purposes, whether or not such 2018A Bond is overdue, and will not be bound by any notice to the contrary.

Principal of and premium, if any, on the 2018A Bonds will be payable upon presentation and surrender of the 2018A 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 2018A 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 2018A Bond to the Bond Registrar/Paying Agent together with a written instrument of transfer (if so required) satisfactory in form to the Division of Bond Finance and the Bond Registrar/Paying Agent, duly executed by the Registered Owner or a duly authorized attorney. Upon surrender to the Bond Registrar/Paying Agent for transfer or exchange of any 2018A 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 2018A Bond of authorized denomination of the same maturity for the aggregate principal amount which the Registered Owner is entitled to receive.

Neither the Division nor the Bond Registrar/Paying Agent may charge the Registered Owner or transferee for any expenses incurred in making any exchange or transfer of the 2018A Bonds. However, the Division and the Bond Registrar/Paying Agent may require payment from the Registered Owner of a sum sufficient to cover any tax, fee, or other governmental charge that may be imposed in relation thereto. Such governmental charges and expenses must be paid before any such new 2018A Bond is delivered.

The Bond Registrar/Paying Agent will not be required to issue, transfer or exchange any 2018A Bonds on the Record Date.

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