

State of Florida
Division of Bond Finance

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Copies of the printed Official Statement may be obtained from:

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1801 Hermitage Boulevard
Suite 200
Tallahassee, Florida 32308

E-Mail: bond@sbafla.com
Phone: (850) 488-4782
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Refunding Issue Book-Entry Only

This Official Statement has been prepared by the Division of Bond Finance to provide information about the 2014A Bonds. Selected information is presented on this cover page for the convenience of the reader. *To make an informed decision, a prospective investor should read this Official Statement in its entirety.* Unless otherwise indicated, capitalized terms have the meanings given in Appendix A.

\$46,085,000
STATE OF FLORIDA
Board of Governors

Florida State University Dormitory Revenue Refunding Bonds
Series 2014A



Dated: Date of Delivery

Due: May 1, as shown on the inside front cover

Bond Ratings

AA Fitch Ratings
AA- Standard & Poor's Ratings Services
Aa2 Moody's Investor Services

Tax Status

In the opinion of Bond Counsel, interest on the 2014A Bonds will be excluded from gross income for federal income tax purposes and will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. However, interest on the 2014A Bonds will be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations. The 2014A Bonds and the income thereon are not subject to taxation under the laws of the State of Florida, except estate taxes and taxes under Chapter 220, Florida Statutes, as amended. See "TAX MATTERS" herein for a description of other tax consequences to holders of the 2014A Bonds.

Redemption

The 2014A Bonds maturing on and after May 1, 2025, are subject to optional redemption as provided herein. The 2014A Bonds maturing in 2031 are subject to mandatory redemption as provided herein.

Security

The 2014A Bonds will be secured by and payable from the Pledged Revenues. The Pledged Revenues consist of the revenues of the Housing System after deducting the Administrative Expenses, the Current Expenses, and the Rebate Amount, if any. **The 2014A Bonds are not secured by the full faith and credit of the State of Florida or the University.**

Lien Priority

The lien of the 2014A Bonds on the Pledged Revenues is a first lien on such revenues and will be on a parity with the Outstanding Bonds and any Additional Parity Bonds hereafter issued. The aggregate principal amount of Bonds which will be Outstanding subsequent to the issuance of the 2014A Bonds is \$158,855,000, excluding the Refunded Bonds, which will be economically but not legally defeased.

Additional Bonds

Additional Parity Bonds payable on a parity with the 2014A Bonds and the Outstanding Bonds may be issued if the average Pledged Revenues for the two immediately preceding fiscal years, as adjusted, are at least 130% of the Maximum Annual Debt Service. This description of the requirements for the issuance of Additional Parity Bonds is only a summary of the complete requirements. See "SECURITY FOR THE 2014A BONDS - Additional Parity Bonds" herein for more complete information.

Purpose

Proceeds will be used to refund a portion of the outstanding State of Florida, Florida Education System, Florida State University Housing Facility Revenue Bonds, Series 2004A and 2005A, and to pay costs of issuance.

Interest Payment Dates

May 1 and November 1, commencing November 1, 2014.

Record Dates

April 15 and October 15.

Form/Denomination

The 2014A 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 2014A Bonds will not receive physical delivery of the 2014A Bonds. See "DESCRIPTION OF THE 2014A BONDS" herein.

Closing/Settlement

It is anticipated that the 2014A Bonds will be available for delivery through the facilities of DTC in New York, New York on June 24, 2014.

**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 2014A Bonds will mature on the dates and bear interest at the rates set forth on the inside front cover.

May 21, 2014

MATURITY STRUCTURE

<u>Initial CUSIP®</u>	<u>Due Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price or Yield*</u>	<u>First Optional Redemption Date and Price</u>
<u>Serial Bonds</u>					
3 4 1 5 7 R C V 0	May 1, 2015	\$1,025,000	3.00%	0.30%	
3 4 1 5 7 R C W 8	May 1, 2016	2,095,000	5.00	0.41	-
3 4 1 5 7 R C X 6	May 1, 2017	2,200,000	5.00	0.75	-
3 4 1 5 7 R C Y 4	May 1, 2018	2,305,000	5.00	1.08	-
3 4 1 5 7 R C Z 1	May 1, 2019	2,420,000	5.00	1.40	-
3 4 1 5 7 R D A 5	May 1, 2020	2,550,000	5.00	1.67	-
3 4 1 5 7 R D B 3	May 1, 2021	2,670,000	5.00	1.95	-
3 4 1 5 7 R D C 1	May 1, 2022	2,800,000	5.00	2.16	-
3 4 1 5 7 R D D 9	May 1, 2023	2,945,000	5.00	2.34	-
3 4 1 5 7 R D E 7	May 1, 2024	2,645,000	5.00	2.45	-
3 4 1 5 7 R D F 4	May 1, 2025**	2,775,000	5.00	2.56	May 1, 2024 @ 100%
3 4 1 5 7 R D G 2	May 1, 2026**	2,915,000	5.00	2.70	May 1, 2024 @ 100
3 4 1 5 7 R D H 0	May 1, 2027**	3,065,000	5.00	2.81	May 1, 2024 @ 100
3 4 1 5 7 R D J 6	May 1, 2028**	3,215,000	5.00	2.90	May 1, 2024 @ 100
3 4 1 5 7 R D K 3	May 1, 2029	3,380,000	3.25	3.35	May 1, 2024 @ 100
<u>Term Bond</u>					
3 4 1 5 7 R D M 9	May 1, 2031	7,080,000	3.375%	@98.5	May 1, 2024 @ 100

* Price and yield information provided by the underwriters.

** The yield on these maturities are calculated to a 100% call on May 1, 2024.

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STATE OFFICIALS

BOARD OF GOVERNORS

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MORTEZA HOSSEINI

VICE CHAIR
THOMAS G. KUNTZ

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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
\$46,085,000
STATE OF FLORIDA
Board of Governors
Florida State University Dormitory Revenue Refunding Bonds, Series 2014A

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 \$46,085,000 State of Florida, Board of Governors, Florida State University Dormitory Revenue Refunding Bonds, Series 2014A, dated the date of delivery (the “2014A Bonds”), by the Division of Bond Finance of the State Board of Administration of Florida (the “Division of Bond Finance”).

The proceeds of the 2014A Bonds will be used to refund a portion of the outstanding State of Florida, Florida Education System, Florida State University Housing Facility Revenue Bonds, Series 2004A and 2005A, and to pay costs of issuance. See “THE REFUNDING PROGRAM” herein for more detailed information.

The 2014A Bonds will be secured by and payable from the Pledged Revenues. The Pledged Revenues consist of revenues of the Housing System, after payment of the Administrative Expenses, the Current Expenses, and the Rebate Amount, if any. See “SECURITY FOR THE 2014A BONDS” herein for more detailed information.

The lien of the 2014A Bonds on the Pledged Revenues is a first lien on such revenues and will be on a parity with the Outstanding Bonds and with any Additional Parity Bonds hereafter issued. The aggregate principal amount of Bonds which will be Outstanding subsequent to the issuance of the 2014A Bonds is \$158,855,000, excluding the Refunded Bonds which will be economically but not legally defeased. See “SECURITY FOR THE 2014A BONDS” herein for more detailed information.

The 2014A 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 2014A 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 2014A 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 2014A BONDS

General Legal Authority

The 2014A Bonds are being issued by the Division of Bond Finance on behalf of the Board of Governors (the “Board”), pursuant to Article VII, Section 11(d) and Article IX, Section 7(d) of the Florida Constitution, the State Bond Act, Section 1010.62, Florida Statutes, and other applicable provisions of law. Article VII, Section 11(d), of the Florida Constitution provides that revenue bonds payable solely from funds derived directly from sources other than State tax revenues may be issued by the State of Florida or its agencies, without a vote of the electors, to finance or refinance capital projects. Section 215.59(2), Florida Statutes, authorizes the issuance of revenue bonds by the Division of Bond Finance pursuant to Article VII, Section 11(d), of the Florida Constitution. The Legislature has authorized the Division of Bond Finance to issue refunding bonds on behalf of any State agency in Section 215.79, Florida Statutes.

Division of Bond Finance

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

State Board of Administration of Florida

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

Board of Governors

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

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

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

Board Members

Term Expires

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

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

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

University Board of Trustees

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

Administrative Approval

By a resolution adopted on May 6, 2010, the Board of Governors authorized and requested the Division of Bond Finance to proceed with the actions required for the issuance of the 2014A Bonds.

By resolutions adopted on November 17, 1992, as amended and restated on July 25, 2000, as further amended on October 28, 2003 (the “Fifth Supplemental Resolution”) and on September 20, 2011 (the “Eleventh Supplemental Resolution”)(collectively, the “Original Resolution”), and as supplemented by resolutions adopted on April 23, 2013 (the “Thirteenth Supplemental Resolution”), and March 6, 2014 (the “Fourteenth Supplemental Resolution”), the Governor and Cabinet of the State of Florida, as the Governing Board of the Division of Bond Finance, authorized the issuance and sale of the 2014A Bonds. The Original Resolution, the Fifth Supplemental Resolution, the Eleventh Supplemental Resolution, the Thirteenth Supplemental Resolution, and the Fourteenth Supplemental Resolution are reproduced as Appendices B, C, D, E and F to this Official Statement. The Original Resolution, as amended and supplemented through the Fourteenth Supplemental Resolution, is referred to as the “Resolution”.

The Board of Administration approved the fiscal sufficiency of the 2014A Bonds, as required by the State Bond Act, on April 23, 2013, and March 6, 2014.

DESCRIPTION OF THE 2014A BONDS

The 2014A Bonds are being issued as registered bonds in the denomination of \$1,000 or integral multiples thereof. The 2014A Bonds are payable from the Pledged Revenues as described herein. The 2014A 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 May 1 and November 1 of each year, commencing November 1, 2014, until maturity or redemption.

The 2014A Bonds will initially be issued exclusively in “book-entry” form. Ownership of one 2014A 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 2014A Bonds. Individual purchases of the 2014A Bonds will be made in book-entry form only, and the purchasers will not receive physical delivery of the 2014A Bonds or any certificate representing their beneficial ownership interest in the 2014A 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 2014A Bonds if the book-entry only system of registration is discontinued.

REDEMPTION PROVISIONS

Optional Redemption

The 2014A Bonds maturing in the years 2015 through 2024, both inclusive, are not redeemable prior to their stated dates of maturity. The 2014A Bonds maturing in 2025 and thereafter (including the 2031 Term Bonds) are redeemable prior to their stated dates of maturity, without premium, at the option of the Division of Bond Finance, (i) in part, by maturities and/or Amortization Installments to be selected by the Division of Bond Finance, and by lot within a maturity and/or Amortization Installment if less than an entire maturity and/or Amortization Installment is to be redeemed, or (ii) as a whole, on May 1, 2024, or on any date thereafter, at the principal amount of the 2014A Bonds so redeemed, together with interest accrued to the date of redemption.

Mandatory Redemption

The 2014A Bonds maturing on May 1, 2031 (the “2031 Term Bonds”), are subject to mandatory redemption in part, by lot, on May 1, 2030, and May 1, 2031, at the principal amount of the 2031 Term Bonds to be redeemed, without premium, plus accrued interest, from Amortization Installments in the years and amounts as follows:

<u>Year</u>	<u>Principal Amount</u>
2030	\$3,485,000
2031	\$3,595,000

Notice of Redemption

Notices of redemption of 2014A 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 2014A Bonds to be redeemed, if less than all, the date fixed for redemption, and the redemption price. In lieu of mailing, the Bond Registrar/Paying Agent may elect to provide such notice of redemption by electronic means to any Registered Owner who has consented to such method of receiving notice.

Failure to give, or any defect in, any required notice of redemption as to any particular 2014A Bonds will not affect the validity of the call for redemption of any 2014A 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 2014A Bonds called for redemption will cease to accrue upon the redemption date.

THE REFUNDING PROGRAM

Proceeds of the 2014A Bonds, after payment of costs of issuance of the 2014A Bonds, together with other legally available moneys, will be used to refund all or a portion of the outstanding State of Florida, Florida Education System, Florida State University Housing Facility Revenue Bonds, Series 2004A, maturing in the years 2015 through 2024 and 2034 in the outstanding principal amount of \$13,795,000 (the “Refunded 2004A Bonds”), and a portion of the outstanding State of Florida, Florida Board of Education, Florida State University Housing Facility Revenue Bonds, Series 2005A, maturing in the years 2016 through 2031, inclusive, in the outstanding principal amount of \$35,860,000 (the “Refunded 2005A Bonds”) (the Refunded 2004A Bonds and the Refunded 2005A Bonds are collectively referred to as the “Refunded Bonds”). This refunding is being effectuated to achieve debt service savings.

Simultaneously with the delivery of the 2014A Bonds, an agreement will be entered into to provide for the investment of the proceeds of the 2014A Bonds and other moneys, and the Division of Bond Finance will cause a portion of the proceeds of the 2014A Bonds, along with other legally available moneys, to be deposited in the State Treasury investment pool, a fund held and invested by the State Treasurer of Florida.

The amount of moneys initially deposited, together with interest thereon, is expected to be sufficient to make all payments of principal, interest and redemption premiums with respect to the Refunded Bonds. The Refunded Bonds will be economically defeased only; they will not be legally defeased but will remain Outstanding and will continue to be secured by the Pledged Revenues until redeemed.

It is anticipated that the Refunded 2004A Bonds will be called for redemption on or about June 25, 2014 and the Refunded 2005A Bonds will be called for redemption on May 1, 2015, by separate redemption notice at a redemption price equal to the principal amount thereof with interest due thereon through the redemption date, plus the required redemption premium equal to one percent of the Refunded Bonds. No funds held in escrow will be available to pay debt service on the 2014A Bonds.

Sources and Uses of Funds

Sources of Funds:

Par Amount of 2014A Bonds	\$46,085,000
Plus: Net Original Issue Premium Bid	<u>6,150,714</u>
Total Sources	<u><u>\$52,235,714</u></u>

Uses of Funds:

Deposit to Escrow	\$51,798,528
Underwriter's Discount	301,966
Cost of Issuance	<u>135,220</u>
Total Uses	<u><u>\$52,235,714</u></u>

SECURITY FOR THE 2014A BONDS

Pledge of Housing System Revenues

The 2014A Bonds and the interest thereon constitute obligations of the Board on behalf of the University, and are payable solely from and secured as to the payment of principal and interest by, a first lien on the Pledged Revenues on a parity with the Outstanding Bonds which will be Outstanding in the aggregate principal amount of \$158,855,000, excluding the Refunded Bonds, which will be economically but not legally defeased, subsequent to the issuance of the 2014A Bonds. Pledged Revenues are derived from the room rental income and charges for services or space provided by the Housing

System. The Housing System consists of the student living facilities of the University, as set forth in the Resolution, and such additional housing facilities as may be added to the Housing System, all as more fully described in “THE HOUSING SYSTEM” herein. The Pledged Revenues consist of the revenues of the Housing System, as defined in the Resolution, at the University after deducting the Current Expenses, the Administrative Expenses and the Rebate Amount, if any. Pledged Revenues resulting from the operation of the Housing System and the related debt service coverage ratios are set forth in “THE HOUSING SYSTEM - Historical Pledged Revenues and Debt Service Coverage”, below.

The 2014A 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 2014A 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 2014A Bonds. The issuance of the 2014A 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 2014A Bonds.**

Reserve Account

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

Currently, the Reserve Account securing certain Outstanding Bonds is funded with approximately \$1.3 million in cash and surety bonds totaling \$8.3 million and is segregated in four separate subaccounts each securing certain Outstanding Bonds. The 1993 Bonds are secured by a subaccount funded with cash in the approximate amount of \$187,000 for the benefit of the registered owners of the 1993 Bonds; the 2004A Bonds are secured by a reserve account surety bond from MBIA Insurance Corporation (“MBIA”) in the amount of \$581,311, which may also serve as security for parity bonds and will terminate on May 1, 2023; and the 2010A Bonds are funded by a subaccount funded with cash in the approximate amount of \$1,156,325 for the benefit of the registered owners of the 2010A Bonds. The fourth subaccount in the Reserve Account secures certain Outstanding Bonds and is funded with four reserve account surety bonds, which may also serve as security for parity bonds, totaling \$7,710,489, including: a surety bond from MBIA in the amount of \$925,125, which will terminate on May 1, 2026; a surety bond from MBIA in the amount of \$1,712,330, which will terminate on May 1, 2031; a surety bond from Financial Guaranty Insurance Corporation (FGIC) in the amount of \$1,048,284, which will terminate on May 1, 2034; and a surety bond from MBIA in the amount of \$4,024,750, which will terminate on May 1, 2035. See “MISCELLANEOUS - Bond Ratings” below for a discussion of potential and actual rating agency actions with respect to MBIA and FGIC.

The resolution authorizing the sale of the 2014A Bonds provides that the Reserve Account for the 2014A Bonds may be funded in an amount determined by the Director, which amount may be zero. The Reserve Requirement for the 2014A Bonds has been determined to be zero. No deposit will be made to a subaccount in the Reserve Account from the proceeds of the 2014A Bonds. However, the 2014A Bonds will be secured by the \$8,291,800 surety bonds from MBIA and FGIC, which also secure the Outstanding Bonds, under the terms of such bonds.

In the event funds on deposit in the Sinking Fund are not sufficient to pay the principal and/or interest next coming due on the Bonds secured by a subaccount in the Reserve Account, then on or before the Interest Payment Date and the Principal Payment Date such amounts as may be necessary to pay such maturing principal and/or interest on the Bonds will be transferred to the Sinking Fund from the appropriate subaccount of the Reserve Account. Each reserve account surety bond will be drawn upon in a proportion equal to its relative share of the amounts in the Reserve Account. Any withdrawals from the Reserve Account, including disbursements made under a Reserve Account Credit Facility, will be subsequently

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

Flow of Funds

Collection of Pledged Revenues. Upon collection, Housing System Revenues are deposited into the University's bank account and accounted for in a separate fund (the "Revenue Fund") to be administered in accordance with the provisions of the Resolution and applicable laws. After providing for the payments required below, the University may use the Pledged Revenues for optional redemption or purchase of Bonds or any lawful purpose of the University.

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

- (A) First, for payment of Current Expenses of the Housing System;
- (B) Second, the remaining moneys not needed for the purposes in (A) above are transferred to the Board of Administration to be used as follows:
 - (i) for payment of the Administrative Expenses;
 - (ii) for deposit into the Sinking Fund, an amount sufficient to pay the next installments of principal and interest to become due during the then current fiscal year, including Amortization Installments for any Term Bonds;
 - (iii) for the maintenance and establishment, if necessary, together with other moneys available for such purposes, of the Reserve Account, or subaccounts therein, in the Sinking Fund in an amount equal to the Debt Service Reserve Requirement; and
 - (iv) for deposit to the Rebate Fund, an amount of moneys sufficient to pay the Rebate Amount; and
- (C) Third, into the Building Maintenance and Equipment Reserve Fund, the amounts required by the Resolution.

Covenants of the Board of Governors

The Board has additionally covenanted in the Resolution as follows:

- (A) That it will punctually pay the Pledged Revenues in the manner and at the times provided in the Resolution and that it will duly and punctually perform and carry out all the covenants of the Board and the duties imposed upon the Board by the Resolution.
- (B) That in preparing, approving and adopting any budget controlling or providing for the expenditures of funds for each budget period it will allocate, allot and approve from the Housing System Revenues and other available funds the amounts sufficient to pay the Pledged Revenues as provided in the Resolution.
- (C) That it will from time to time recommend, fix and include in budgets such revisions in the amounts of rentals and other fees to be levied upon and collected from each person housed in or using the facilities of the Housing System and will collect such amounts, which will produce sums sufficient to pay, when due, 100% of the amounts required under the Resolution.
- (D) That it will continue to collect the fines, fees, rentals and other amounts charged all individuals served by the Housing System.

Additional Parity Bonds

The Resolution provides that Additional Parity Bonds may be issued, but only upon the following terms, restrictions and conditions: (A) the proceeds from such Additional Parity Bonds will be used to acquire and construct capital additions or improvements to the Housing System or to refund Outstanding Bonds; (B) the Board must request the issuance of the Additional Parity Bonds; (C) the Board of Administration must approve the fiscal sufficiency of such Additional Parity Bonds; (D) certificates will be executed by the Board and/or the University setting forth (1) the average amount of Pledged Revenues from the two fiscal years immediately preceding the issuance of the proposed Additional Parity Bonds, and (2) the Maximum Annual Debt Service on the Bonds then Outstanding and the Additional Parity Bonds then proposed to be issued; (E) the Board and the University must be current in all deposits into the various funds and accounts and all payments theretofore required to have been deposited or made by it under the provisions of the Resolution and the Board 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 (F) 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 130% of the Maximum Annual Debt Service on the Bonds then Outstanding, and the Additional Parity Bonds then proposed to be issued. Additional Parity Bonds issued in accordance with the Resolution will be on a parity as to lien on the Pledged Revenues with the Outstanding Bonds and the 2014A 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 rate increases and additional Housing System facilities.

All of the above terms, conditions and restrictions being complied with, the 2014A Bonds will be issued on a parity with the Outstanding Bonds.

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THE HOUSING SYSTEM

(Source: Florida State University)

Introduction

Florida State University (the "University") is a comprehensive, graduate-research university, offering undergraduate, graduate, advanced graduate and professional programs of study. The main university campus is spread over 474.45 acres in Tallahassee, Florida. The University also has a branch campus in Panama City, Florida, on 25.6 acres. The total student body exceeds 41,000, of whom approximately 80% are undergraduates and over 85% are full-time students. Information regarding the University is provided in Appendix G.

The University has on-campus housing for approximately 6,583 students. The University Housing Department, within the Division of Student Affairs, supports the mission of the University by providing student housing to the University community; it operates the University's housing program through a central housing office which has responsibility for general oversight and management, and through on-site management at each residential facility.

Staffing

The Housing System employs over 593 full-time and part-time staff. The staff, which includes students and non-students, is comprised of custodians, maintenance technicians, clerical staff and administrators. Selected staff members are trained to assess the development of students and to provide a comfortable environment that promotes and supports the education mission of the University.

Housing Facilities

The Housing System currently provides facilities to accommodate 6,583 students, 6,533 undergraduate and 50 graduate students. The housing facilities are comprised of four apartment style residence halls and fourteen traditional residence halls, of which ten currently offer suite-style living arrangements (a bath adjoining two living units). In addition to the facilities in the Housing System, the University owns an off-campus apartment facility (Alumni Village), which will be closed permanently in August 2014. This facility is not currently part of the Housing System and none of its revenues is currently pledged to the Bonds.

In addition to the existing housing facilities, the University is currently undertaking the construction of another suite-style, on-campus housing facility (the "2013A Project") to accommodate 862 students. The 2013A Project will replace Dorman and Deviney Halls (current combined capacity of 524 beds) which are two of only four community-style residence halls remaining on campus. The 2013A Project is expected to be completed in the summer of 2015.

Outlined below are the existing residence halls that comprise the Housing System, their current design capacity and a historical synopsis of their major renovations.

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<u>Housing Facility</u>	<u>Original Construction Date</u>	<u>Current Design Capacity</u>	<u>Year of Renovation/Completion</u>	<u>Description of Renovation</u> ¹
Broward Hall	1917	135	1998	Complete renovation
			2011	Envelope and masonry repair
Bryan Hall	1907	131	1996	Complete renovation
			2011	Envelope and masonry repair
Cawthon Hall	1949	297	2002	Complete renovation
			2012	Envelope and masonry repair
DeGraff Hall	2007	706	2007	New construction
Deviney Hall	1952	243	1977	Installation of air conditioning
			1996	Fire code corrections
			1999	Installation of new elevators
			2000	Replaced all student room furniture
			2010	Asbestos abatement
			2012	Asbestos abatement
Dorman Hall	1959	286	1977	Installation of air conditioning
			1982	Fire code corrections
			1986	Fire code corrections
			2004	Fire alarm upgrades
Gilchrist Hall	1925	229	1998	Complete renovation
			2012	Envelope and masonry repair
Jennie Murphree Hall	1921	326	1993	Complete renovation
			2005	Envelope and masonry repair
Kellum Hall	1959	538	1977	Installation of air conditioning
			1982	Fire code corrections
			1992	Roof replaced
			1996	Fire code corrections
			2001	Installation of new elevators
			2004	Fire alarm upgrades
			2008	Bathroom renovations
			2009	Envelope and masonry repair
			2009	Stairwell renovations
			2012	Stairwell renovations
			2012	Fire alarm system replacement
Landis Hall	1939	403	2006	Complete renovation
			2013	Envelope and masonry repair
McCollum Hall Apts.	1973	196	2000	Exterior painting
			2002	Kitchen renovations
			2003	Replaced all student room furniture
			2005	Installation of new elevators
			2010	Exterior painting
			2010	Roof replacement
			2011	HVAC system replacement
			2011	Mechanical room complete renovation
Ragans Hall Apts.	2003	555	2003	New construction
Reynolds Hall	1911	239	1996	Complete renovation
			2011	Envelope and masonry repair

<u>Housing Facility</u>	<u>Original Construction Date</u>	<u>Current Design Capacity</u>	<u>Year of Renovation/Completion</u>	<u>Description of Renovation</u> ¹
Rogers Hall	1965	184	1965	New construction
			2005	Elevator replacement
			2008	HVAC replacement
			2013	Mechanical room replacement
Salley Hall West Tower	1964	291	2000	Complete renovation
			2010	HVAC replacement
			2010	Mechanical room renovation
			2010	Roof Replacement
			2010	Fire Alarm System replacement
Salley Hall East Tower	1964	291	2013	Envelope and masonry repair
			2001	Complete renovation
			2010	HVAC replacement
			2010	Mechanical room renovation
			2010	Roof replacement
Smith Hall	1952	551	2010	Fire alarm system replacement
			2013	Envelope and masonry repair
			1982	Fire code corrections
			1990	Roof replaced
			1992	Fire code corrections
			1995	Installation of air conditioning
			1995	Installation of new windows
			1997	Fire code corrections
			2000	Installation of new elevators
			2004	Fire alarm upgrades
			2004	Asbestos abatement
			2005	Window sill replacement
			2008	Roof replacement
Traditions Hall Apts.	2012	276	2009	Bathroom renovations
			2012	Envelope and masonry repair
Wildwood Hall	2007	<u>706</u>	2012	New construction
		6,583	2007	New construction

¹ Does not reflect the regular replacement of carpet, tile and other furnishings/equipment or routine repairs performed by the University to maintain and upgrade the housing facilities.

Capital Improvement Plan

The Department of University Housing develops a ten-year capital plan, identifying major capital projects required to maintain the quality of the housing units. Since 2006, the University has completed major capital improvements, including the complete renovation of Landis Hall, the razing and rebuilding of DeGraff Hall, and the new construction of Wildwood and Traditions Halls. The capital improvements were funded with proceeds of the Outstanding Bonds and cash contributions from the Housing System. Other improvements common to all residence halls such as air conditioning, roof replacement, new elevators, masonry repair, furniture replacement and fiber optic wiring have also been completed. Capital expenditures over the past five years, other than those funded from bond proceeds, have averaged approximately \$3.35 million per year.

Future plans include construction of another 862-bed suite-style residence hall that is planned to open in Fall 2017 to replace Kellum and Smith Halls (combined capacity of 1,091 beds currently), built in 1952 and 1959, respectively. That facility will be funded through the issuance of additional Parity Bonds and cash contributions from the Housing System and will be the final phase of the University's plan to replace all of the aging community-style residence halls. The goal is to raise the overall quality of the on-campus living experience and to remain competitive with regional and national peer institutions. Additional priority projects not included in the capital improvement plan are identified and undertaken annually as funding becomes available.

Insurance on Facilities

All University facilities, and the contents thereof, are insured under the Florida Fire Insurance Trust Fund as required by Chapter 284, Florida Statutes. Rental value insurance is also provided to cover any loss of revenue from any facility. For projects under construction, prior to acceptance by the University, and throughout the duration of construction, the State University System requires that the construction manager insure the project, including materials, equipment, vehicles and personnel.

Demand for On-Campus Housing

The University Master Plan includes a goal to house 20% of both undergraduate and graduate students; however, the focus for on-campus housing is to provide accommodations to primarily first-time-in-college ("FTIC") undergraduates students. The Housing System currently provides facilities to accommodate 6,583 students, 6,533 undergraduate and 50 graduate students. With the completion of the 2013A Project and subsequent demolition of Deviney and Dorman Halls, this capacity will be increased to approximately 6,746. Total enrollment for Fall 2013 was 41,477, including 32,276 undergraduates, of which 5,817 were FTIC students. Approximately 90% of undergraduates attend full-time, and although 89% of students are from Florida, a majority of in-state students are from central and south Florida rather than the Tallahassee area.

The current on-campus capacity of 6,583 is enough space to accommodate all FTIC students and approximately 16% of all University students; however, existing demand for on-campus housing by students exceeds the number of beds available. The University does not have a policy requiring any students to live on campus, so students are free to choose living accommodations. Even though the University does not mandate that students live on campus, there has been strong demand for participation in its on-campus residence experience. Over the past ten years, occupancy rates for the undergraduate halls have exceeded 100% to begin each fall term. Waiting lists are developed and students are placed in temporary housing until permanent assignments can be identified through attrition. The waiting list for the Fall 2013 semester exceeded 800 students at the end of May. Due to the length of the waiting list, housing applications were not accepted after May 1st. The University estimates several hundred students are turned away from applying for on-campus housing each year due to this deadline.

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Housing System Occupancy Statistics
Fall Semester - First Day of Classes ¹

Fall Semester	Total Housing Capacity	Total Occupancy²	Occupancy As % of Total Capacity	Total Housing Applications Received	Total Full-Time Students	% of Full-Time Students Living On Campus
2009	6,108	6,112	100.1%	8,752	33,983	18%
2010	6,108	6,155	100.8%	8,812	34,371	18%
2011	6,108	6,165	100.9%	9,901 ³	35,238	17%
2012 ⁴	6,399	6,436	100.6%	9,117	35,014	18%
2013 ⁵	6,583	6,584	100.0%	9,306	35,137	19%

¹ These statistics reflect occupancy as of the official opening day of the residence halls comprising the Housing System.

² Total occupancy can exceed capacity on the first day. Temporary rooms are set up in study lounges until other on-campus accommodations become available.

³ Applications increased for Fall 2011 as a result of a concerted effort by the University to communicate the deadline. Due to the overwhelmingly large response, the University scaled back the aggressiveness of its communication effort in 2012.

⁴ Capacity increased for Fall 2012 as a result of the opening of Traditions Hall.

⁵ Capacity increased for Fall 2013 as a result of the addition of Rogers Hall to the Housing System.

On-Campus Rental Rates

Rental rates for residence halls at the University are reviewed on an annual basis. The Director of University Housing meets with a housing advisory committee early in the spring semester to make a recommendation for any rental rate increase that might become effective during the subsequent fall semester. If an increase is recommended, student government leaders, resident assistants, and all resident students are informed through meetings and written communications. These individuals do not have the opportunity to vote on the rental rate proposal. In compliance with the standard practice established within the State University System concerning housing rental rates, the University Department of Housing submits the recommendation prior to April 1 of each year to the Auxiliary Service Board for approval.

The following table lists the predominant types of living accommodations in the Housing System available to students and the related historical and projected rental rates on a per student, per semester basis for each academic year. All rental rates on housing facilities include utilities. For the current academic year 2013-14, the Housing System consists of 1,618 community-style beds, 3,754 suite-style beds, 196 townhouse spaces and 1,015 spaces in apartment facilities.

The rental rates shown include utilities and resident life program and do not include cable, phone or meal plans. Meal plans are required for residents of Cawthon, Jennie Murphree, Reynolds, Bryan, Broward, Gilchrist, and Landis Halls with meal plan prices ranging from \$1,806 per semester for a 14 meals per week meal plan to \$2,349 per semester for unlimited meals per week with \$500 in flexible spending dollars.

The projected rental rates are for illustration purposes only and management of the University makes no representation as to whether any rental rate increases will be made in the future. Rental rate increases are based on annual market surveys and needs analyses. The projected rates shown below reflect a 3% annual increase for semester rates for all facilities except the traditional residence halls for which no increases are projected and Rogers Hall which is expected to increase by 5%. These rental rates were used in the calculation of projected Housing System Revenues set forth in "Debt Service Coverage from Projected Pledged Revenues." The Board has covenanted in the Original Resolution to recommend, fix and include in its budget rental rates that will produce sufficient revenues to pay amounts due with respect to the Outstanding Bonds and the 2014A Bonds.

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

	Historical					Projected				
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
Traditional Halls¹										
Small Double ²	\$1,950	\$2,050	\$2,150	-	-	-	-	-	-	-
Double	2,050	2,150	2,250	\$2,360	\$2,475	\$2,550	\$2,550	\$2,550	-	-
Single	2,400	2,525	2,650	2,785	2,925	3,015	3,015	3,015	-	-
Salley Hall Suites										
Double	2,320	2,440	2,560	2,690	2,825	2,910	3,000	3,090	\$3,180	\$3,275
Single	2,635	2,770	2,920	3,070	3,225	3,320	3,420	3,525	3,630	3,740
Suite Halls^{3,5}										
Double	2,510	2,640	2,775	2,910	3,055	3,145	3,240	3,335	3,435	3,540
Single	2,830	2,975	3,130	3,290	3,455	3,560	3,665	3,775	3,890	4,010
McCollum Hall										
Double (Townhouse)	2,165	2,275	2,390	2,515	2,690	2,825	2,970	3,120	3,280	3,380
Single	2,800	2,940	3,100	3,255	3,415	3,515	3,620	3,730	3,840	3,955
Ragans Hall										
Single (Apt.)	2,820	2,965	3,120	3,280	3,445	3,550	3,655	3,765	3,880	3,995
Traditions Hall⁴										
Single (Apt.)	-	-	-	3,500	3,675	3,785	3,900	4,015	4,135	4,260
Rogers⁶	-	-	-	-	2,340	2,460	2,585	2,715	2,855	2,965

¹ Traditional residence halls are Deviney, Dorman, Kellum and Smith Halls. Existing Dorman and Deviney will be demolished before the start of the 2015-16 academic year, when the 2013A Project is scheduled to open. Kellum and Smith are expected to be taken out of service before the start of the 2017-18 academic year, when phase two of the replacement project is scheduled to open.

² Applies to Smith Hall only. Smith Hall was re-categorized as a traditional residence hall in 2012-13.

³ Broward, Bryan, Cawthon, DeGraff, Gilchrist, Landis, Jennie Murphree, Reynolds, and Wildwood Halls.

⁴ Traditions Hall opened for the Fall 2012 semester.

⁵ The 2013A Project is expected to be open for the Fall 2015 semester and will be a suite hall.

⁶ Rogers was added to the Housing System in Fall 2013.

Comparison of Housing Rates

A survey of certain comparable off-campus facilities is included in the following table. The off-campus facilities selected for this survey were primarily student apartment facilities. The average monthly rental rate for these off-campus, two-bedroom apartments as of February 2014 was \$532 per person. The off-campus rental rates do not include utilities or any required deposits. On-campus rental rates for the 2013-14 academic year for a double occupancy, air-conditioned residence hall room range from \$2,475 to \$3,055 per semester, per student. The on-campus rates include all utilities, local telephone services and a supervisory staff.

**Survey of Off-Campus Monthly Housing Rates
For Unfurnished Apartments ¹
(As of February 2014)**

Apartment/Facility	One Bedroom	Two Bedrooms	Three Bedrooms	Four Bedrooms
The Commons	\$749	\$499*	\$379*	\$399*
Jakes Place	\$829			
West 10	\$929*-\$1,009	\$599*-\$649*	\$559*-\$599*	\$519*-\$599*
601 Copeland	\$1,049	\$779*		\$689*
Forum at Tallahassee	\$1,100	\$735*		\$645*
Seminole Grand		\$489*	\$399*	
Seminole Flats	\$765	\$555*		
Colony Club High Point	\$575-675	\$505*	\$450*	
Villa Reanna		\$499*		
Villa San Carlo	\$679	\$519*		
University Village		\$564*		
University Lofts	\$619			
Villa Cristina	\$699			
Campus Walk			\$799*	
Polo Club			\$534*	
Campus Park at Tenn St				\$459*
U Club on Woodward				\$619*

* Rates are per student per room.

¹ The following website was used as a resource to survey the 17 properties located near campus: www.offcampushousing.fsu.edu. Rates are shown for unfurnished apartments and utilities are not included in the rental fees.

The above analysis includes only a sampling of the many off-campus alternatives available to students. While the off-campus student housing market in Tallahassee is very large, the on-campus housing facilities owned and operated by the University provide a unique student residential experience that is fundamentally different from any other living environment available in the Tallahassee off-campus student housing market. The masters-level live-in professional staff, coupled with live-in graduate and undergraduate staff are well trained and prepared to respond to individual students needs from adjustment issues associated with the transition to college life to management of more serious individual student crises. Many parents want their children to reside on campus particularly during their first year for quality of service, convenience and safety. Additionally, national studies have shown that students who live on campus are more connected to the institution, do better academically and are more likely to graduate. According to a recent study conducted by Florida State University's Office of Institutional Research, retention and 4-year graduation rates for students living on campus during their first semester at the University were nearly 8% higher than students who lived off campus.

With the exception of two complexes, SouthGate Campus Centre (500 beds) and Osceola Lofts (200 beds), the off-campus market consists of apartments that typically appeals more to the needs of upperclassmen and graduate students, while the target market for on-campus housing is primarily undergraduate students. Of the two off-campus private halls, SouthGate has equivalent rental rates to on-campus housing, offers a resident life program, and has strong demand. SouthGate Campus Centre rental rates range from \$5,000 per semester with an unlimited meal plan included in the rate. Rental rates of SouthGate include a required meal plan ranging from seven meals per week to unlimited meals and include utilities, furniture, basic cable television and access to all on-site amenities. The Osceola Lofts has lower rental costs than on-campus housing, but no residential life program is available at that facility. The new facilities currently under construction in the off-campus market are all apartment-style units.

In addition, the Heritage Grove apartment complex provides off-campus accommodations for 384 students. Although there is no specific contractual arrangement with the University, Heritage Grove is operated under covenants which require the project to be available primarily for students attending the University, and to particularly accommodate the housing needs of students who are members of non-profit affinity groups or organizations officially recognized by the University.

Student Housing Payments and Collection

University housing rental rates are determined for each academic year. Residence hall fees are the same for fall and spring semesters. A pre-payment is required at the time an application is submitted to the University for housing. Upon assignment of a room, the unpaid balance is due on the same due date as tuition, which is the second Friday of each semester. Over the past five years, the collection rates for all on-campus housing fees have averaged over 99% of the fees assessed.

Rent is placed on the University-wide accounts receivable system for collection. Students with unpaid balances are precluded from registering for a subsequent semester and from receiving a transcript or diploma until their account is paid.

Budgetary Process

The budgetary process for University Housing follows the guidelines issued by the Office of Budget and Analysis at the Florida State University. These guidelines provide a standardized format, setting forth prior fiscal year information by budget categories uniformly for all University departments. Included with the auxiliary guidelines are various salary and benefit information, and various insurance cost estimates. Housing rental rates have previously been established for the new fiscal year at the time of the rental rate increase process. Based on a thorough review of the current fiscal year's operation, revisions are made, if necessary, to the projected budget which was prepared as a part of the rental rate increase proposal. Various expenditure projections may be modified as updated information is made available; however, revenue projections are based on the approved rental rates. Projections are summarized by budget category, by department and are submitted to the Office of Budget and Analysis.

The following table sets forth the Housing System operating budgets and actual results for Fiscal Years 2010-11 through 2012-13 and the budget for 2013-14. Revenues from operations were slightly higher than budgeted in the years shown. In Fiscal Year 2010-11 non-operating expenses included a budgeted \$5,000,000 contribution to the construction of Wildwood Hall Phase II, however only \$3,000,000 was actually contributed. In 2012-13, the remaining \$2,000,000 contribution to Wildwood Hall Phase II was budgeted but not needed because constructions costs were lower than projected. Thus, the \$2,000,000 was used to increase the replacement reserve contribution for Fiscal Year 2011-12.

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The following information has been prepared by the University on a cash basis for internal management purposes only and has not been audited.

University Housing System Operating Budget

	<u>Fiscal Year 2010-11</u>			<u>Fiscal Year 2011-12</u>			<u>Fiscal Year 2012-13</u>			<u>Fiscal Year 2013-14</u>
	<u>Budget</u>	<u>Actual</u>	<u>Difference</u>	<u>Budget</u>	<u>Actual</u>	<u>Difference</u>	<u>Budget</u>	<u>Actual</u>	<u>Difference</u>	<u>Budget</u>
Revenue from Operations	\$32,305,756	\$33,327,657	\$1,021,901	\$33,955,633	\$35,221,491	\$1,265,858	\$37,776,555	\$39,605,281	\$1,828,726	\$41,373,636
Beginning Cash Balance	<u>13,829,258</u>	<u>13,829,258</u>	<u>-</u>	<u>11,881,039</u>	<u>11,881,039</u>	<u>-</u>	<u>8,393,717</u>	<u>13,533,529</u>	<u>5,139,812</u>	<u>14,061,633</u>
Total Funds Available	\$46,135,014	\$47,156,915	\$1,021,901	\$45,836,672	\$47,102,530	\$1,265,858	\$46,170,272	\$53,138,810	\$6,968,538	\$55,435,269
Expenditures:										
Salaries & Benefits	\$5,401,000	\$5,197,651	\$203,349	\$5,200,383	\$5,002,683	\$197,700	\$5,456,760	\$5,088,204	\$368,556	\$6,060,384
Other Personal Services	2,080,000	2,064,564	15,436	2,050,989	2,183,431	(132,442)	2,430,000	2,423,119	6,881	2,569,234
Operating Expenses	6,753,932	6,286,145	467,787	6,898,550	6,033,374	865,176	6,929,500	6,004,603	924,897	7,685,221
Operating Capital Outlay	4,194,600	3,949,814	244,786	6,068,250	4,239,761	1,828,489	6,400,000	4,836,424	1,563,576	6,087,100
Non-Operating Expenses	5,368,886	3,384,741	1,984,145	2,441,628	427,647	2,013,981	3,262,747	3,434,694	(171,947)	424,889
Debt Service	8,832,282	9,669,912	(837,630)	9,985,457	9,808,557	176,900	9,792,075	9,630,714	161,361	12,258,257
Replacement Reserve	<u>3,372,698</u>	<u>3,372,698</u>	<u>-</u>	<u>3,372,698</u>	<u>5,372,698</u>	<u>(2,000,000)</u>	<u>3,766,448</u>	<u>3,766,448</u>	<u>-</u>	<u>8,872,020</u>
Total Expenditures	\$36,003,398	\$33,925,525	\$2,077,873	\$36,017,955	\$33,068,152	\$2,949,803	\$38,037,530	\$35,184,206	\$2,853,324	\$43,957,105
Ending Cash Balance	\$10,131,616	\$13,231,390	\$3,099,774	\$9,818,717	\$14,034,378	\$4,215,661	\$8,132,742	\$17,954,604	\$4,115,214	\$11,478,164

Selected Historical Financial Information

The following tables set forth selected historical financial information for the University Housing System for the five Fiscal Years 2008-09 through 2012-13 and the seven-month period ended January 31, 2014. **The financial information for the Housing System was prepared by the University for internal management purposes as an integral part of the University's financial statements and was not independently audited.** The Housing System information was prepared on the accrual basis of accounting and was prepared in accordance with generally accepted accounting principles and the Governmental Accounting Standards Board of the Financial Accounting Foundation Statement No. 35 (Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities).

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

University Housing System
Statement of Net Assets (Unaudited)¹

	As of June 30,				As of January 31,	
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
ASSETS						
Current assets:						
Cash and cash equivalents	\$40,312	-	\$27,151	-	\$56,894	-
Investments	15,516,677	\$14,108,023	21,233,997	\$12,875,363	14,004,485	\$33,510,121
Accounts receivable, net	41,059	92,054	86,805	76,066	103,421	3,689,616
Interest and dividends receivable	39,159	37,609	46,919	22,141	5,519	11,492
Due from other University funds	6,315,013	6,333,210	7,517,933	7,310,745	5,207,596	810,397
Prepaid items	<u>316</u>	<u>694</u>	<u>757</u>	<u>356,391</u>	-	-
Total current assets	\$21,952,536	\$20,571,590	\$28,913,562	\$20,640,706	\$19,377,915	\$38,021,626
Noncurrent assets:						
Restricted:						
Cash and cash equivalents	\$9,902	\$22,588	\$25,532	\$13,029	\$13,858	\$10,530
Investments	20,827,220	24,790,851	25,744,703	30,744,349	38,814,853	81,511,706
Interest and dividends receivable ²	-	58,444	58,809	44,302	12,475	76,304
Due from component unit	14,344	-	-	-	-	-
Deferred finance charges	1,159,729	1,111,488	1,322,977	1,371,831	1,309,315	-
Capital assets, net of accumulated depreciation	<u>165,584,537</u>	<u>171,279,630</u>	<u>189,038,405</u>	<u>194,623,267</u>	<u>192,347,507</u>	<u>201,781,701</u>
Total noncurrent assets	\$187,595,732	\$197,263,001	\$216,190,426	\$226,796,778	\$232,498,008	\$321,401,867
Total Assets	<u>\$209,548,268</u>	<u>\$217,834,591</u>	<u>\$245,103,988</u>	<u>\$247,437,484</u>	<u>\$251,875,923</u>	<u>\$322,440,082</u>
LIABILITIES						
Current liabilities:						
Cash Overdraft	-	\$63,744	-	\$17,095	-	-
Accounts payable	\$768,904	202,301	\$190,401	83,583	\$168,543	\$439,221
Construction contracts payable	-	1,775,082	3,918,794	1,169,721	163,758	4,257,638
Accrued salaries & wages payable	87,038	113,556	119,950	151,601	201,828	356,020
Accrued interest payable	938,074	919,497	1,028,409	942,013	918,396	1,936,832
Unearned revenue	6,205,098	6,271,235	7,451,086	7,248,233	5,091,989	974,075
Bonds payable ,current portion	<u>3,290,604</u>	<u>3,395,604</u>	<u>3,885,762</u>	<u>4,210,392</u>	<u>4,355,392</u>	<u>9,003,123</u>
Total current liabilities	\$11,289,718	\$12,741,019	\$16,594,402	\$13,822,638	\$10,899,906	\$16,966,909
Noncurrent liabilities:						
Bonds payable, long-term portion	\$118,830,923	\$115,435,318	\$130,044,121	\$126,193,637	\$121,838,245	\$163,604,238
Compensated absences payable	<u>460,288</u>	<u>461,056</u>	<u>489,519</u>	<u>502,127</u>	<u>526,931</u>	<u>526,931</u>
Total noncurrent liabilities	\$119,291,211	\$115,896,374	\$130,533,640	\$126,695,764	\$122,365,176	\$164,131,169
Total Liabilities	<u>\$130,580,929</u>	<u>\$128,637,393</u>	<u>\$147,128,042</u>	<u>\$140,518,402</u>	<u>\$133,265,082</u>	<u>\$181,098,078</u>
NET ASSETS						
Net Invested in capital assets	\$44,622,739	\$53,560,195	\$61,896,620	\$65,088,942	\$66,936,253	\$67,181,302
Restricted for project construction	3,909,403	6,387,545	2,994,137	1,337,828	5,729,901	7,224,308
Restricted for debt service	435,238	260,518	1,393,855	1,370,643	1,421,983	1,400,940
Restricted for renewal and replacement	18,036,922	17,908,352	21,740,057	27,855,160	31,531,015	31,964,803
Unrestricted	<u>11,963,037</u>	<u>11,080,588</u>	<u>9,951,276</u>	<u>11,266,509</u>	<u>12,991,689</u>	<u>33,570,651</u>
Total Net Position	<u>\$78,967,339</u>	<u>\$89,197,198</u>	<u>\$97,975,945</u>	<u>\$106,919,082</u>	<u>\$118,610,841</u>	<u>\$141,342,004</u>

¹ Numbers may not add due to rounding.

² Restricted interest receivable was inadvertently included with unrestricted interest receivable in prior years. This amount is shown separately beginning in Fiscal Year 2009-10.

University Housing System
Statement of Revenues, Expenses and Changes in Net Assets (Unaudited) ¹

	Seven-Month					
	Period Ended					
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>January 31, 2014</u>
OPERATING REVENUES						
Rental Income	\$30,361,387	\$32,238,785	\$33,698,001	\$35,284,617	\$38,751,697	\$41,294,322
OPERATING EXPENSES						
Salaries & employee benefits	\$7,955,923	\$8,120,315	\$8,486,034	\$8,513,746	\$8,819,899	\$5,580,064
Services and supplies	3,842,833	3,868,866	2,997,251	3,884,290	3,143,447	1,268,283
Utilities	4,676,421	4,232,309	4,226,223	3,923,791	3,884,909	2,807,568
Depreciation	5,148,083	4,023,346	4,055,186	4,327,229	4,686,056	3,127,723
Other Operating Expense	-	79,563	73,916	93,902	114,910	183,408
Total operating expenses	<u>\$21,623,260</u>	<u>\$20,324,399</u>	<u>\$19,838,610</u>	<u>\$20,742,958</u>	<u>\$20,649,221</u>	<u>\$12,967,046</u>
Net operating income	\$8,738,127	\$11,914,386	\$13,859,391	\$14,541,659	\$18,102,476	\$28,327,276
NONOPERATING REVENUES						
Investment income	\$651,009	\$1,015,267	\$1,253,009	\$959,408	\$771,456	\$448,799
Unrealized Losses	-	-	-	-	(839,811)	298,772
Interest expense	(5,385,786)	(5,609,869)	(5,625,894)	(5,074,320)	(5,628,458)	(4,154,814)
Financing charges	(87,182)	27,363	13,565	47,374	-	33,718
Other nonoperating revenue (expenses)	<u>(82,904)</u>	<u>599,127</u>	<u>(23,610)</u>	<u>(497,326)</u>	<u>250,111</u>	<u>(2,390,697)</u>
Total net nonoperating revenues	<u>(\$4,904,863)</u>	<u>(\$3,968,112)</u>	<u>(\$4,382,930)</u>	<u>(\$4,564,864)</u>	<u>(\$5,446,702)</u>	<u>(\$5,764,222)</u>
Net income before transfers	\$3,833,264	\$7,946,274	\$9,476,461	\$9,976,795	\$12,655,774	\$22,563,054
TRANSFERS	<u>\$1,084,925</u>	<u>(\$536,218)</u>	<u>(\$697,714)</u>	<u>(\$1,033,689)</u>	<u>(\$964,015)</u>	<u>\$168,109</u>
CHANGE IN NET ASSETS	\$4,918,189	\$7,410,056	\$8,778,747	\$8,943,106	\$11,691,759	\$22,731,163
TOTAL NET ASSETS, BEGINNING	\$74,049,150	\$78,967,339	\$89,197,198	\$97,975,082	\$106,919,082	\$118,610,841
ADJUSTMENT TO BEGINNING NET	<u>-</u>	<u>\$2,819,803</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL NET ASSETS, ENDING	<u>\$78,967,339</u>	<u>\$89,197,198</u>	<u>\$97,975,945</u>	<u>\$106,919,082</u>	<u>\$118,610,841</u>	<u>\$141,342,004</u>

¹ Numbers may not add due to rounding.

Discussion and Analysis of Financial Condition and Results of Operations

The operation of the Housing System depends primarily on revenues collected from room rentals. Interest income, laundry commissions and other miscellaneous fees provide additional income. Operating expenses include costs associated with salaries, utilities, daily maintenance functions, supplies, and cashiering/accounting. Non-operating expenses include those costs necessary for capital improvements of the facilities.

As the above schedules show, operating revenues from the Housing System increased 28% from Fiscal Year 2008-09 to 2013-13, or an average of approximately 7% annually. The increase was primarily due to rental rate increases. Fiscal Year 2009-10 operating revenues increased \$1.9 million primarily because of increases in rental rates of approximately 5%. The decrease in operating expenses of \$0.8 million during Fiscal Year 2009-10 resulted primarily from a decrease in depreciation expense due to the overstatement of depreciation expense in the prior year. Operating revenue for Fiscal Year 2010-11 increased approximately \$2.4 million primarily as a result of an increase in rental rates by approximately 5%. Operating expenses decreased approximately 2% as a result of a decrease in repairs and maintenance expense for the year. In Fiscal Year 2011-12, operating revenues increased 5% due to an increase in rental rates and operating expenses increased 5% due mainly to an increase in services and supplies expense. In Fiscal Year 2012-13, operating revenues increased approximately

9.8% or \$3.5 million over the prior year primarily due to increases in rental rates of approximately 5%. Operating expenses for 2012-13 decreased 0.5% from the previous year.

Total net assets increased approximately \$40.6 million over the five years presented. The increase in net assets is due partially to a build-up of the net assets restricted for renewal and replacements to cover a portion of construction costs of two new housing facilities. Those assets grew by \$13.5 million for the five-year period shown, from \$18 million at June 30, 2009 to \$31.5 million at June 30, 2013. The University plans to use \$10 million of those funds during the current fiscal year to cover a portion of the 2013A Project construction costs and plans to contribute additional funds to offset a portion of the costs of constructing another planned housing facility over the next three years. The increase in net assets over this five-year period is also partially attributable to a \$22.3 million increase in investments and capital assets during the period. Unrestricted net assets have grown from \$11.9 million to \$12.9 million over this period.

During Fiscal Year 2009-10, the University discovered that depreciation expense was overstated in prior years and that one of the residence halls had not been included as an asset in prior year financial statements. These adjustments were accounted for by a restatement of the beginning net assets in the amount of \$2,819,803 for Fiscal Year 2009-10.

Additionally, during Fiscal Year 2010-11 the University discovered that \$624,419 of building improvements that should have been capitalized were incorrectly expensed on the Fiscal Year 2009-10 Financial Statements. As a result, capital assets net of accumulated depreciation were increased by \$624,419 on the Statement of Net Assets while services and supplies expense was decreased by \$624,419 on the Statement of Revenues, Expenses and Changes in Net Assets for Fiscal Year 2009-10.

Historical Pledged Revenues and Debt Service Coverage

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

Historical Pledged Revenues and Debt Service Coverage ¹

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
Operating Revenues	\$30,361,387	\$32,238,785	\$33,698,001	\$35,284,617	\$38,751,697
Operating Expenses ²	<u>16,475,177</u>	<u>16,301,053</u>	<u>15,783,424</u>	<u>16,415,729</u>	<u>15,963,165</u>
Net Operating Revenue	\$13,886,210	\$15,937,732	\$17,914,577	\$18,868,888	\$22,788,532
Investment Income ³	<u>213,246</u>	<u>431,976</u>	<u>347,133</u>	<u>354,039</u>	<u>259,575</u>
Pledged Revenues	<u>\$14,099,456</u>	<u>\$16,369,708</u>	<u>\$18,261,710</u>	<u>\$19,222,927</u>	<u>\$23,048,107</u>
Annual Debt Service	\$8,843,069	\$8,843,447	\$9,690,729	\$9,812,690	\$9,792,075
Maximum Annual Debt Service ⁴	\$8,843,447	\$8,843,447	\$9,992,841	\$9,812,690	\$9,795,375
Debt Service Coverage Ratios					
Annual Debt Service	1.59x	1.85x	1.88x	1.96x	2.35x
Maximum Annual Debt Service	1.59x	1.85x	1.83x	1.96x	2.35x

¹ The revenue and expenditure information has been provided by the University and has not been audited.

² Total operating expenses are net of depreciation.

³ Investment income presented in this table includes only interest earned on the operating account of the Housing System.

⁴ Fiscal Year 2011-12 includes approximately \$61,000 of accrued debt service on refunded bonds.

Projected Pledged Revenues and Debt Service Coverage

Projections of Pledged Revenues and debt service coverage ratios for the next five fiscal years are provided in the following table. **The projections of future operating results have been prepared by the University based upon the most recent available information, which is believed to be accurate. Projections are statements of opinion and are subject**

to future events which may cause the actual results to differ materially from those set forth herein. Undue reliance should not be placed on these projections.

Revenue projections for the existing facilities are based on rental rate increases of 5% for 2013-14 and 3% per year for suite-style facilities and no rate increases for community-style facilities after 2014-15. Operating expenses for the Housing System during the forecast period are based upon the University's past experience in operating the Housing System and assume 2% annual increases in personnel expenses, 3% annual increases in general operating expenses and 4% annual increases in utilities expenses. Operating expenses in 2013-14 are projected to be slightly higher than normal due to the addition of Rogers Hall to the System, a one-time increase in wireless costs to make all halls wireless for first time, and the addition of new housing personnel. Student occupancy rates of 97% for the fall and spring semesters have been assumed, except in 2015-16, 2016-17, 2017-18 where a 96% occupancy rate has been assumed. Summer revenue is based on historical collections. Projected operating revenues and expenses also include the addition of Rogers Hall to the Housing System in 2013-14. Rogers Hall has historically generated approximately \$300,000 in net revenues per year. Operating revenues and expenses beginning in 2015-16 assume the opening of the 2013A Project and simultaneous closure and demolition of Dorman and Deviney Halls in Fall 2015 (net increase in bed capacity of 338).

Projected Pledged Revenues and Debt Service Coverage¹

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
Operating Revenues					
Existing Housing Facilities	\$40,888,636	\$42,336,545	\$40,056,250	\$40,983,999	\$42,686,231
2013A Project	<u>-</u>	<u>-</u>	<u>5,371,920</u>	<u>5,529,430</u>	<u>5,695,230</u>
Total Operating Revenues	\$40,888,636	\$42,336,545	\$45,428,170	\$46,513,429	\$48,381,461
Operating Expenses					
Existing Housing Facilities	\$18,480,839	\$18,885,168	\$18,162,185	\$18,657,445	\$19,080,229
2013A Project	<u>-</u>	<u>-</u>	<u>1,646,732</u>	<u>1,692,698</u>	<u>1,740,036</u>
Total Operating Expenses	\$18,480,839	\$18,885,168	\$19,808,917	\$20,350,143	\$20,820,265
Net Operating Revenue	\$22,407,797	\$23,451,377	\$25,619,253	\$26,163,286	\$27,561,196
Investment Income	<u>\$275,000</u>	<u>\$175,000</u>	<u>\$185,000</u>	<u>\$195,000</u>	<u>\$210,000</u>
Pledged Revenues	<u>\$22,682,797</u>	<u>\$23,626,377</u>	<u>\$25,804,253</u>	<u>\$26,358,286</u>	<u>\$27,771,196</u>
Annual Debt Service					
Outstanding Parity Bonds ²	\$11,171,251	\$8,625,025	\$8,644,788	\$8,644,938	\$8,633,338
2014A Bonds	<u>-</u>	<u>2,824,090</u>	<u>4,173,800</u>	<u>4,174,050</u>	<u>4,169,050</u>
Total Annual Debt Service	\$11,171,251	\$11,449,115	\$12,818,588	\$12,818,988	\$12,802,388
Pledged Revenues after Debt Service and Available for other Expenses/Transfers	\$11,511,546	\$12,177,262	\$12,985,666	\$13,539,299	\$14,968,809
Maximum Annual Debt Service³	\$13,307,650	\$12,818,988	\$12,818,988	\$12,818,988	\$12,809,169
Debt Service Coverage Ratios					
Total Annual Debt Service	2.03x	2.06x	2.01x	2.06x	2.17x
Maximum Annual Debt Service	1.70x	1.84x	2.01x	2.06x	2.17x

¹ Projections have been provided by the University, based upon assumptions discussed above.

² Includes debt service on the Bonds Outstanding subsequent to the refunding accomplished with proceeds of the 2014A Bonds, but excludes debt service of amounts varying from \$3.1 million to \$4.7 million in 2015 through 2031 for the Refunded Bonds, which will be economically but not legally defeased.

³ Maximum Annual Debt Service, after issuance of the 2014A Bonds, occurs in Fiscal Year 2016-17.

SCHEDULE OF DEBT SERVICE

The table below shows the debt service on the Bonds which will be Outstanding subsequent to the refunding accomplished with the proceeds of the 2014A Bonds, the debt service on the 2014A Bonds, and the total debt service.

Fiscal Year Ending June 30	Outstanding Bonds¹	2014A Bonds Debt Service			Total Debt Service¹
		Principal	Interest	Total	
2014	\$11,171,251	-	-	-	\$11,171,251
2015	8,625,025	\$1,025,000	\$1,799,090	\$2,824,090	11,449,115
2016	8,644,788	2,095,000	2,078,800	4,173,800	12,818,588
2017	8,644,938	2,200,000	1,974,050	4,174,050	12,818,988
2018	8,633,338	2,305,000	1,864,050	4,169,050	12,802,388
2019	8,625,138	2,420,000	1,748,800	4,168,800	12,793,938
2020	8,631,369	2,550,000	1,627,800	4,177,800	12,809,169
2021	8,626,844	2,670,000	1,500,300	4,170,300	12,797,144
2022	8,636,325	2,800,000	1,366,800	4,166,800	12,803,125
2023	8,453,825	2,945,000	1,226,800	4,171,800	12,625,625
2024	8,453,925	2,645,000	1,079,550	3,724,550	12,178,475
2025	8,452,925	2,775,000	947,300	3,722,300	12,175,225
2026	8,453,725	2,915,000	808,550	3,723,550	12,177,275
2027	7,590,250	3,065,000	662,800	3,727,800	11,318,050
2028	7,594,000	3,215,000	509,550	3,724,550	11,318,550
2029	7,584,400	3,380,000	348,800	3,728,800	11,313,200
2030	7,593,113	3,485,000	238,950	3,723,950	11,317,063
2031	7,051,213	3,595,000	121,331	3,716,331	10,767,544
2032	9,681,869	-	-	-	9,681,869
2033	9,672,838	-	-	-	9,672,838
2034	6,159,313	-	-	-	6,159,313
2035	5,175,894	-	-	-	5,175,894
2036	1,153,925	-	-	-	1,153,925
2037	1,155,463	-	-	-	1,155,463
2038	1,154,863	-	-	-	1,154,863
2039	1,152,125	-	-	-	1,152,125
2040	<u>1,152,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,152,250</u>
Total	<u>\$187,924,926</u>	<u>\$46,085,000</u>	<u>\$19,903,322</u>	<u>\$65,988,322</u>	<u>\$253,913,247</u>

Note: Totals may not add due to rounding.

¹ Includes debt service on the Bonds which will be Outstanding subsequent to the refunding accomplished with proceeds of the 2014A Bonds, but excludes debt service of amounts varying from \$3.1 million to \$4.7 million in 2015 through 2031 for the Refunded Bonds, which will be economically but not legally defeased.

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 2014A 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 2014A Bonds in order that interest on the 2014A Bonds be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the 2014A Bonds to be included in federal gross income retroactive to the date of issuance of the 2014A 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 2014A Bonds and the other amounts are to be invested and require that certain investment earnings on the foregoing must be rebated on a periodic basis to the Treasury Department of the United States. The Board, the Division of Bond Finance and the Board of Administration have covenanted in the Resolution to comply with such requirements in order to maintain the exclusion from federal gross income of the interest on the 2014A Bonds.

In the opinion of Bond Counsel, assuming compliance with the aforementioned covenants, under existing laws, regulations, judicial decisions and rulings, interest on the 2014A Bonds is excluded from gross income of the holders thereof for purposes of federal income taxation. Interest on the 2014A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals or corporations; however, interest on the 2014A Bonds will be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations. The 2014A Bonds and the income thereon are not subject to any tax under the laws of the State of Florida except estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of 2014A Bonds. Prospective purchasers of 2014A Bonds should be aware that the ownership of 2014A 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 2014A Bonds, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by 15% of certain items, including interest on the 2014A Bonds, (iii) the inclusion of interest on the 2014A Bonds in earnings of certain foreign corporations doing business in the United States for purposes of a branch profits tax, (iv) the inclusion of interest on 2014A Bonds in passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year, and (v) the inclusion of interest on the 2014A Bonds in “modified adjusted gross income” by recipients of certain Social Security and Railroad Retirement benefits for purposes of determining whether such benefits are included in gross income for federal income tax purposes.

Information Reporting and Backup Withholding

Interest paid on tax-exempt bonds such as the 2014A Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the

excludability of interest on the Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of 2014A Bonds, under certain circumstances, to “backup withholding” at the rate specified in the Code with respect to payments on the 2014A Bonds and proceeds from the sale of 2014A Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of 2014A Bonds. This withholding generally applies if the owner of 2014A 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 2014A Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Tax Treatment of Bond Premium

The 2014A Bonds maturing in 2015 through 2028 were offered and sold to the public at prices in excess of the principal amount thereof. Under the Code, the excess of the cost basis of a bond over the principal amount of the bond (other than for a bondholder who holds a bond as inventory, stock in trade, or for sale to customers in the ordinary course of business) is generally characterized as “bond premium.” For federal income tax purposes, bond premium is amortized over the term of the bonds or to the first optional redemption date in the case of callable bonds. A bondholder will therefore be required to decrease his basis in the 2014A Bonds by the amount of amortizable bond premium attributable to each taxable year such bondholder holds such 2014A Bond. The amount of the amortizable bond premium attributable to each taxable year is determined on an actuarial basis at a constant interest rate compounded on each interest payment date. The amortizable bond premium attributable to a taxable year is not deductible for federal income tax purposes.

Bondholders of such 2014A Bonds should consult their own tax advisors with respect to the precise determination of federal income tax treatment of bond premium upon sale, redemption, or other disposition of such 2014A Bonds.

Tax Treatment of Original Issue Discount

The 2014A Bonds maturing in 2029 and 2031 were offered and sold to the public at prices below their maturity amount. Under the Code, the difference between the maturity amounts of such 2014A 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 2014A Bonds of the same maturity was sold is “original issue discount.” Original issue discount will accrue over the terms of such 2014A Bonds at a constant interest rate compounded periodically. A purchaser who acquires such 2014A Bonds in the initial offering at a price equal to the initial offering price thereof to the public will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period he holds such 2014A Bonds, and will increase his adjusted basis in such 2014A Bonds by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such 2014A Bonds. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of such 2014A Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Owners of such 2014A Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, redemption or other disposition of 2014A Bonds and with respect to the state and local tax consequences of owning and disposing of such 2014A Bonds.

Purchase, ownership or sale or disposition of the 2014A Bonds and the receipt of the interest thereon may have adverse federal tax consequences for certain individual and corporate bondholders. Prospective 2014A Bondholders should consult their tax specialists for information in that regard.

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the 2014A 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 2014A 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 2014A 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 2014A Bonds. For example, in connection with federal deficit reduction, job creation and tax law reform efforts, proposals have been made and others are likely to be made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the 2014A Bonds. There can be no assurance that any such legislation or proposal will be enacted, and if enacted, what form it may take. The introduction or enactment of any such legislative proposals may affect, perhaps significantly, the market price for, or marketability of the 2014A Bonds.

State Taxes

The 2014A 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 2014A Bonds should consult their own attorneys and advisors for the treatment of the ownership of the 2014A Bonds for estate tax purposes.

The 2014A Bonds and the income therefrom are subject to the tax imposed by Chapter 220 on interest, income, or profits on debt obligations owned by corporations and other specified entities.

MISCELLANEOUS

Investment of Funds

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

Funds Held Pursuant to the Resolution - The Resolution directs the manner in which funds held in the various funds may be invested. At closing, the net proceeds of the 2014A Bonds will be deposited into a fund in the State Treasury of Florida. After collection, the Pledged Revenues are accounted for in the Revenue Fund, and amounts required for debt service are transferred to the Sinking Fund held by the Board of Administration. See "*Investment by the Chief Financial Officer*" and "*Investment by the Board of Administration*" below.

Investment by the Chief Financial Officer - Funds held in the State Treasury are invested by internal and external investment managers. As of December 31, 2013, the ratio was approximately 60% internally managed funds, 37% externally managed funds, 3% Certificates of Deposit and 6% in an externally managed Security Lending program. The total portfolio market value on December 31, 2013, was \$21,776,003,641.69.

Under State law, the Treasury is charged with investing funds of each State agency and the judicial branch. As of December 31, 2013, \$13.283 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, \$7.185 billion as of this date consisted of moneys held by certain boards, associations, or entities created by the State Constitution or by State law that are not required to maintain their investments with the Treasury and are permitted to withdraw these funds from the Treasury.

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

To this end, a portion of Treasury's investments are managed for short-term liquidity and preservation of principal. The remainder is managed to obtain maximum yield, given the safety parameters of State law and Treasury's Comprehensive Investment Policy. Investments managed for short-term liquidity and preservation of principal are managed "internally" by Treasury personnel. Treasury personnel also manage approximately \$2.9 billion to cash enhanced and intermediate strategies to provide additional return. The majority of investments managed for a maximum return are managed by "external" investment managers not employed by the State.

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

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

The Board of Administration adopts specific investment policy guidelines for the management of its funds which reflect the long-term risk, yield, and diversification requirements necessary to meet its fiduciary obligations. As of December 31, 2013, the Board of Administration directed the investment/administration of 38 funds in over 500 portfolios.

As of December 31, 2013, the total market value of the FRS (Defined Benefit) Trust Fund was \$143,786,857,589.33. The Board of Administration pursues an investment strategy which allocates assets to different investment types. The long-term objective is to meet liability needs as determined by actuarial assumptions. Asset allocation levels are determined by the liquidity and cash flow requirements of the FRS, absolute and relative valuations of the asset class investments, and opportunities within those asset classes. Funds are invested internally and externally under a Defined Benefit Plan Investment Policy Statement.

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

The Board of Administration invests assets in 37 designated funds other than the FRS (Defined Benefit) Trust Fund. As of December 31, 2013, the total market value of these funds equaled \$33,173,686,482.92. Each fund is independently managed by the Board of Administration in accordance with the applicable documents, legal requirements and investment plan. Liquidity and preservation of capital are preeminent investment objectives for most of these funds, so investments for these are restricted to high quality money market instruments (e.g., cash, short-term treasury securities, certificates of deposit, banker's acceptances, and commercial paper). The term of these investments is generally short, but may vary depending upon the requirements of each trust and its investment plan.

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

Bond Ratings

Standard & Poor's Ratings Services, Moody's Investor Services and Fitch Ratings (herein referred to collectively as "Rating Agencies"), have assigned their municipal bond ratings of AA-, Aa2 and AA, respectively, to the 2014A Bonds.

Such ratings reflect only the respective views of such Rating Agencies at the time such ratings were issued, and an explanation of the significance of such ratings may be obtained from any of the respective rating agencies.

The University furnished to such Rating Agencies certain information and material in respect to the University, the Housing System, and the 2014A 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 2014A Bonds.

Certain companies provide either bond insurance or reserve account surety bonds on various series of Outstanding Bonds. The Rating Agencies have evaluated (and are continuing to evaluate) the effects of the downturn in the market for certain structured finance instruments, including collateralized debt obligations and residential mortgage backed securities, on the claims-paying ability of financial guarantors. The results of these evaluations have included and may include additional ratings affirmations, changes in rating outlook, reviews for downgrade, and downgrades. To date, the Rating Agencies have downgraded the following companies as indicated: Assured Guaranty Corp. (Assured) - S&P/AA, Moody's/A3; Assured Guaranty Municipal Corp. (AG Muni - formerly, Financial Security Assurance Inc.) - S&P/AA, Moody's/A2; MBIA Insurance Corporation - S&P/B, Moody's/B3; and Syncora Guarantee Inc. (Syncora) - Moody's/Ca. Assured has a stable outlook by both Moody's and S&P. AG Muni has a stable outlook by both Moody's and S&P. MBIA has a negative outlook by S&P and a developing outlook by Moody's. Fitch has withdrawn its ratings for Ambac Assurance Corporation (Ambac), Financial Guaranty Insurance Company (FGIC), MBIA, Syncora, Assured and AG Muni; Moody's and S&P have withdrawn their ratings for FGIC and Ambac. S&P has withdrawn its ratings for Syncora. Potential investors are directed to the Rating Agencies for additional information on their ongoing evaluations of the financial guaranty industry and individual financial guarantors.

Verification of Mathematical Calculations

The arithmetical accuracy of the mathematical computations supporting the adequacy of the funds deposited to redeem the Refunded Bonds and interest earnings thereon to pay the principal of, redemption premium and interest on the Refunded Bonds and the arithmetical accuracy of the mathematical computation relating to the investment of the funds, supporting the conclusion that the 2014A Bonds will not be "arbitrage bonds" under the Internal Revenue Code of 1986, will be verified by Causey Demgen & Moore, Inc., Certified Public Accountants, as a condition of the delivery of the 2014A 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 2014A 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 2014A Bonds or the proceedings and authority under which the 2014A Bonds are to be issued. Further, there is currently no litigation pending, or to the knowledge of the University, the Board, or the Division of Bond Finance threatened, which questions or affects the corporate existence of the Board or the title of the present officers to their respective offices. The University, the Board, and the Division of Bond Finance from time to time engage in routine litigation the outcome of which would not be expected to have any material adverse affect on the issuance and delivery of the 2014A Bonds.

Legal Opinion and Closing Certificates

The approving legal opinion of Bryant Miller Olive P.A., Tallahassee, Florida, will be provided on the date of delivery of the 2014A 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 2014A 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 2014A Bonds to provide, or cause to be provided, certain financial information and operating data and to provide notices of certain material events. Such financial information and operating data will be transmitted to the Municipal Securities Rulemaking Board (the “MSRB”) using its Electronic Municipal Market Access System (“EMMA”). Any notice of material events will also be transmitted to the MSRB using EMMA. The form of the undertaking is set forth in Appendix J, Form of Continuing Disclosure Agreement. This undertaking is being made in order to assist the underwriters in complying with Rule 15c2-12 of the Securities and Exchange Commission.

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

Underwriting

Guggenheim Securities, LLC (the “Underwriters”) have agreed to purchase the 2014A Bonds at an aggregate purchase price of \$51,933,748.29 (which represents the par amount of the 2014A Bonds plus an original issue premium of \$6,150,713.80 and minus the Underwriters’ discount of \$301,965.51). The Underwriters may offer and sell the 2014A Bonds to certain dealers (including dealers depositing bonds into investment trusts) and others at prices lower than the offering price stated on the inside front cover.

Execution of Official Statement

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

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

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

J. BEN WATKINS III
Director
Division of Bond Finance

BOARD OF GOVERNORS

MORTEZA HOSSEINI
Chair

DEFINITIONS

“2014A Bonds” means the \$46,085,000 State of Florida, Board of Governors, Florida State University Dormitory Revenue Refunding Bonds, Series 2014A, issued pursuant to the Thirteenth and Fourteenth Supplemental Resolutions.

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

“Administrative Expenses” means, with respect to the Bonds or the administration of any funds under the Original 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 May 1 of any Fiscal Year shall be deemed payable in the prior Fiscal Year.

“Board of Administration” means the State Board of Administration of Florida, as created pursuant to the provisions of Article IV, Section 4, Florida Constitution and Chapter 215, Florida Statutes.

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

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

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

“Bond Registrar/Paying Agent” means U.S. Bank Trust National Association, New York, New York, and its successors.

“Bonds” means the Outstanding Bonds, the 2014A Bonds and any Additional Parity Bonds issued in accordance with Section 5.01 of the Original Resolution.

“Building Maintenance and Equipment Reserve Fund” means the fund required to be created pursuant to Section 4.02(C) of the Original Resolution.

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

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

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

“Division of Bond Finance” means the Division of Bond Finance of the State Board of Administration of Florida.

“Eleventh Supplemental Resolution” means the resolution adopted September 20, 2011, by the Governing Board of the Division of Bond Finance, amending the Original Resolution.

“Fifth Supplemental Resolution” means the resolution adopted on October 28, 2003, by the Governing Board of the Division of Bond Finance, amending the Original Resolution.

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

“Fourteenth Supplemental Resolution” means the resolution adopted on March 6, 2014, by the Governing Board of the Division of Bond Finance, authorizing the issuance of a portion of the 2014A Bonds.

“Governing Board” means the Governor and Cabinet of the State of Florida as the Governing Board of the Division of Bond Finance.

“Housing System” means the student living facilities of the University which are hereby defined as and shall include the following:

(1) The University's existing residence halls and apartments located in Tallahassee, Leon County, Florida on the campus of the University including the following facilities: Broward Hall, Bryan Hall, Cawthon Hall, Degraff Hall, Deviney Hall, Dorman Hall, Gilchrist Hall, Jennie Murphree Hall, Kellum Hall, Landis Hall, McCollum Hall, Reynolds Hall, Salley Hall, Smith Hall, Ragans Hall and Wildwood Hall; and

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

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

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

“Maximum Annual Debt Service” means, at any time, the maximum amount (with respect to the particular Series of Bonds, or all Bonds, as the case may be), required to be deposited into the Sinking Fund during the then current or any succeeding Fiscal Year. For the purpose of calculating the deposits to be made into a subaccount in the Reserve Account, Maximum Annual Debt Service shall mean, at any time, the maximum amount, if any, required to be deposited during the then current or any succeeding Fiscal Year, into the Sinking Fund with respect to the Bonds for which such subaccount has been established. In the calculation of Maximum Annual Debt Service, any interest, principal, or Amortization Installment payable on July 1 of any Fiscal

Year shall be deemed payable in the prior Fiscal Year. The amount of Term Bonds maturing in any Fiscal Year shall not be included as part of the Amortization Installment in determining the Maximum Annual Debt Service for that Fiscal Year.

“Original Resolution” means the resolution adopted on November 17, 1992, by the Governor and Cabinet as the Governing Board of the Division of Bond Finance authorizing the issuance of the Bonds, as amended and restated on July 25, 2000.

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

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

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

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

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

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

“Outstanding Bonds” means the Outstanding State of Florida, Board of Regents, Florida State University Housing Facility Revenue Bonds, Series 1993; the Outstanding State of Florida, Florida Education System, Florida State University Housing Facility Revenue Bonds, Series 2004A and 2005A; and the Outstanding State of Florida, Board of Governors, Florida State University Dormitory Revenue and Revenue Refunding Bonds, Series 2010A, 2011A and 2013A.

“Pledged Revenues” means the Housing System Revenues after deducting the Administrative Expenses, the Current Expenses and the Rebate Amount, if any.

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

“Rating Agency” means a nationally recognized bond rating agency.

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

“Rebate Fund” means the Rebate Fund created and established pursuant to Section 6.04 of the Original Resolution.

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

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

“Registered Owner” means any person who shall be the registered owner of any 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 within the Sinking Fund, an amount to be determined pursuant to resolution of the Governing Board, which amount shall not exceed the lesser of (1) the Maximum Annual Debt Service on the Bonds 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 by the Fifth Supplemental Resolution and the Eleventh Supplemental Resolution, and as supplemented by the Thirteenth and Fourteenth Supplemental Resolutions.

“Revenue Fund” means the Florida State University Housing System Revenue Fund created and established pursuant to Section 4.02 of the Original Resolution.

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

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

“Sinking Fund” means the Florida State University Housing 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, created by the Original Resolution, as may be provided pursuant to a subsequent resolution of the Division of Bond Finance.

“Thirteenth Supplemental Resolution” means a resolution adopted on April 23, 2013, by the Governing Board of the Division of Bond Finance, authorizing the issuance of a portion of the 2014A Bonds.

“University” means the Florida State University.

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

A RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$3,500,000 STATE OF FLORIDA, BOARD OF REGENTS, FLORIDA STATE UNIVERSITY HOUSING REVENUE BONDS, SERIES 1993, TO FINANCE RENOVATIONS AND IMPROVEMENTS TO DORMITORY FACILITIES AT THE FLORIDA STATE UNIVERSITY; PROVIDING FOR CERTAIN COVENANTS IN CONNECTION THEREWITH AND PROVIDING FOR AN EFFECTIVE DATE.

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

**ARTICLE I
DEFINITIONS, AUTHORITY AND FINDINGS**

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

“Accreted Value” shall mean, as of any date of computation with respect to any Capital Appreciation Bonds, an amount equal to the principal amount of such Capital Appreciation Bond at its initial offering plus the accrued interest on such Capital Appreciation Bond from the date of delivery to the original purchasers thereof to the Interest Payment Date next preceding the date of computation or 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.

“Additional Parity Bonds” shall mean any obligations hereafter issued pursuant to the terms and conditions of this Resolution and payable from the Pledged Revenues on a parity with the 1993 Bonds originally issued hereunder. Such Additional Parity Bonds shall be deemed to have been issued pursuant to this Resolution the same as the Bonds originally authorized and issued pursuant to this Resolution, and all of the applicable covenants and other provisions of this Resolution (except as to details of such Additional Parity Bonds inconsistent herewith), shall be for the equal benefit, protection and security of the Registered Owners of the Bonds originally authorized and issued pursuant to this Resolution, and the Registered Owners of any Additional Parity Bonds evidencing additional obligations subsequently issued within the limitations of and in compliance with this Resolution. All of such Additional Parity Bonds, regardless of the time or times of their issuance shall rank equally with other Bonds with respect to their lien on and source and security for payment from the Pledged Revenues without preference of any Bond over any other. Additional Parity Bonds shall also include any outstanding indebtedness previously issued with respect to any housing facility which is being added to the Housing System and which is secured by the revenues of such housing facility.

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

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

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

“Auditor General” shall mean the Auditor General of the State of Florida.

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

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

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

“Bond Insurance Policy” shall mean an insurance policy issued for the benefit of the Registered Owners 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.

“Bond Registrar/Paying Agent” shall mean State Street Bank and Trust Company, N.A., New York, New York, or its successor.

“Bonds” shall mean the 1993 Bonds and any Additional Parity Bonds issued in accordance with Section 5.01 hereof.

“Building Maintenance and Equipment Reserve Fund” shall mean the fund required to be created pursuant to Section 4.02(C) hereof.

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

“Completion Bonds” shall mean those Bonds issued pursuant to Section 5.04 of this Resolution to pay the cost of completing the 1993 Project.

“Current Expenses” shall mean and include all necessary operating expenses, current maintenance charges, expenses of reasonable upkeep and repairs, properly allocated share of charges for insurance and all other expenses of the Board of Regents or the University incident to the operation of the Housing System as expanded by the terms of this Resolution, but shall exclude depreciation, all general administrative expenses of the Board of Regents 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 Building Maintenance and Equipment Reserve Fund hereinafter provided for.

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

“Division of Bond Finance” shall mean the Division of Bond Finance of the State Board of Administration.

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

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

“Housing System” shall mean the student living facilities of the University which are hereby defined as and shall include the following:

(1) The University's existing residence halls and apartments located in Tallahassee, Leon County, Florida on the Tallahassee campus of the University including the following facilities: Broward Hall, Cawthon Hall, Degraff Hall, Deviney Hall, Dorman Hall, Gilchrist Hall, Jennie Murphree Hall, Kellum Hall, Landis Hall, Reynolds Hall, Salley Hall and Smith Hall;

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

“Housing 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 Housing System, and all parts thereof, without any deductions whatever, and specifically including, without limiting the generality of the foregoing, room rental income, and any special rental fees or charges for services or space provided.

“Interest Payment Date” shall mean, for each Series of Bonds, 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” 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.

“1993 Bonds” shall mean the not to exceed \$3,500,000 State of Florida, Board of Regents, Florida State University Housing Facility Revenue Bonds, Series 1993.

“1993 Project” shall mean the following facilities as previously approved by the Board of Regents and the Legislature, and subject to any deletions, modifications, or substitutions deemed necessary and expedient and approved by resolution of the Board of Regents, and is more specifically described as follows:

The renovation and improvement of a dormitory to house up to 336 students.

“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.

“Original Resolution” shall mean this resolution, adopted on November 17, 1992 by the Governor and Cabinet as the Governing board of the Division of Bond Finance authorizing the issuance of the Bonds, as amended and as restated on July 25, 2000.

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

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

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

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

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

“Pledged Revenues” shall mean the Housing System Revenues after deducting the Administrative Expenses, the Current Expenses and the Rebate Amount, if any.

“Principal Payment Date” shall mean, for each Series of Bonds, 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” shall mean the actual costs of the 1993 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 1993 Project; interest on the Bonds for a reasonable period after date of delivery thereof, if necessary; an amount sufficient to establish adequate reserves; architect and engineering fees; legal fees; 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.

“Rating Agency” shall mean a nationally recognized bond rating agency.

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

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

“Rebate Year” shall mean, with respect to each Series of Bonds issued hereunder, (i) the twelve-month period commencing on the anniversary of the "closing date" 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 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.

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

“Registered Owner” shall mean any person who shall be the registered owner of any Bonds.

“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.

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

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

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

“Reserve Requirement” 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, 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” 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 Bonds.

“Revenue Fund” shall mean the Florida State University Housing Revenue Fund created and established pursuant to Section 4.02 of this Resolution.

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

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

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

“State” shall mean the State of Florida.

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

“University” shall mean The Florida State University.

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

SECTION 1.02. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the provisions of Article VII, Section 11(d) of the Florida Constitution; Sections 215.57-215.83, Florida Statutes, the State Bond Act; Chapters 240 and 243, Florida Statutes, and other applicable provisions of law.

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 has adopted a resolution on September 19, 1991 requesting the Division of Bond Finance to take the necessary actions required for the issuance of the State of Florida, Board of Regents, Florida State University Housing 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.

(F) The 1993 Project shall be the renovation and improvement of a dormitory 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 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.

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 Registered Owners. The covenants and agreements to be performed by the Board of Regents and the University shall be for the equal benefit, protection, and security of the Registered Owners of any and all of the 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, Florida State University Housing 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 Three Million Five Hundred Thousand Dollars (\$3,500,000), for the purpose of financing the construction and equipping of the 1993 Project as described herein.

SECTION 2.02. DESCRIPTION OF BONDS. The Bonds shall be issued in fully registered form without coupons; shall be dated as determined pursuant to 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 Bonds may be sold at one time or in Series from time to time as the Division of Bond Finance may determine by resolution. If issued in Series, each Series shall be dated and have an identifying number or letter. All of such Bonds, when issued, will rank equally as to source and security for payment.

Interest shall be paid on the Interest Payment Dates to the Registered Owner whose name appears on the books of the Bond Registrar/Paying Agent (the "Registered Owner") as of 5:00 p.m. (local time, Tallahassee, Florida) on the Record Date next preceding such Interest Payment Date by check or draft mailed (or transferred by a mode at least equally as rapid as mailing) from the Bond Registrar/Paying Agent to the Registered Owner, 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 Housing 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. BONDS MAY BE ISSUED AS SERIAL BONDS OR TERM BONDS. The Bonds may be issued as, or as a combination of, Serial Bonds, Term Bonds, Capital Appreciation Bonds or such other type of bonds as shall be determined pursuant to a subsequent resolution of the Division of Bond Finance.

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

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

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

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

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

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

(b) Each further notice of redemption shall be sent at least thirty-five (35) days before the redemption date by certified mail or overnight delivery service or telecopy to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds (such depositories now being The Depository Trust Company, New York, New York, Midwest Securities Trust Company, Chicago, Illinois, and Philadelphia Depository Trust Company, Philadelphia, Pennsylvania) and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

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

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

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

SECTION 2.06. EXECUTION OF BONDS. The Bonds shall be executed in the name of the Board of Regents by its Chairman and attested to by its Vice-Chairman, or such other 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 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 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 Bonds shall cease to be such officer of the Board of Regents before the Bonds so signed and sealed shall have been actually sold and delivered, the Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any 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 Bond shall hold the proper office, although at the date of such 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 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 Bonds shall have all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code - Investment Securities Law of the State of Florida. The original Registered Owner and each successive Registered Owner of any of the Bonds shall be conclusively deemed by his acceptance thereof to have agreed that the Bonds shall be and have all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code - Investment Securities Law of the State of Florida.

SECTION 2.08. REGISTRATION AND TRANSFER. The Bonds shall be issued only as fully registered bonds without coupons. The Bond Registrar/Paying Agent shall be responsible for maintaining the books for the registration of and for the transfer of the Bonds in compliance with its agreement with the State.

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

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

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

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

The Board of Regents and the Bond Registrar/Paying Agent may treat the Registered Owner of any Bond as the absolute owner thereof for all purposes, whether or not such Bond shall be overdue, and shall not be bound by any notice to the contrary. The person in whose name any 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 Bonds, to amend or modify the foregoing provisions relating to registration of the Bonds in order to comply with all applicable laws, rules, and regulations of the United States 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 Registered Owner furnishing the Division of Bond Finance proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Division of Bond Finance may prescribe and paying such expense as the Division of Bond Finance may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar/Paying Agent. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Division of Bond Finance may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

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

**REGISTERED
NUMBER
R - _____
UNITED STATES OF AMERICA
STATE OF FLORIDA
BOARD OF REGENTS
FLORIDA STATE UNIVERSITY
HOUSING REVENUE BONDS
SERIES 1993**

MATURITY DATE _____

INTEREST RATE _____ %

DATED DATE _____

REGISTERED OWNER _____

PRINCIPAL AMOUNT _____ DOLLARS

THE BOARD OF REGENTS OF THE DIVISION OF UNIVERSITIES OF THE STATE OF FLORIDA DEPARTMENT OF EDUCATION, a public body corporate (hereinafter referred to as the "Board of Regents"), for value received, hereby promises to pay to the Registered Owner or registered assigns from the special funds hereinafter described on the Maturity Date, unless redeemed prior thereto as hereinafter provided, upon the presentation and surrender hereof at the principal corporate trust office of Citibank, N.A., New York, New York, as Bond Registrar/Paying Agent, the Principal Amount shown above and to pay to the Registered Owner hereof, solely from such special funds, by check or draft mailed (or transferred by a mode at least equally as rapid as mailing) to such Registered Owner at his address as it appears at 5:00 p.m. (local time, New York, New York) on the Record Date, on the registration books kept by the Bond Registrar/Paying Agent under this Resolution hereinafter referred to, interest on such Principal Amount from the date hereof or from the most recent interest payment date to which interest has been paid, whichever is applicable, at the rate per annum specified above until the payment of said Principal Amount, such interest being payable on the first day of _____ and the first day of _____ in each year. The Record Date for the _____ payment is _____ 15, and the Record Date for the _____ payment is _____ 15. Both principal of and interest on this Bond are payable in lawful money of the United States of America.

This Bond is one of an authorized issue of Bonds in the aggregate principal amount of Three Million Five Hundred Thousand Dollars (\$3,500,000) issued for the purpose of financing part of the cost of the construction of the 1993 Project, as defined in the Resolution, at the Florida State University, and purposes necessary therefor or appurtenant thereto (hereinafter referred to as "1993 Project"), to be operated and maintained by the Florida State University, under the authority of and in full compliance with the Constitution and Statutes of the State of Florida, including particularly Sections 215.57-215.83, Florida Statutes, and Chapters 240 and 243, Florida Statutes, and other applicable provisions of law, and a Resolution duly adopted by the Governor and Cabinet of the State of Florida, as the Governing Board of the Division of Bond Finance, on the ____th day of _____, 199_ (herein referred to as the "Resolution"), and is subject to all the terms and conditions of said Resolution.

(Insert redemption provisions)

This Bond is secured by a lien upon and is payable solely from Pledged Revenues, consisting of revenues derived from operation of the Housing System, after providing for Administrative Expenses, Current Expenses and the Rebate Amount, if any.

THIS BOND DOES NOT CONSTITUTE A GENERAL OBLIGATION 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 PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS BOND. THE ISSUANCE OF THIS BOND DOES NOT, DIRECTLY OR INDIRECTLY OR CONTINGENTLY, OBLIGATE THE STATE OF FLORIDA TO USE STATE FUNDS OTHER THAN THE PLEDGED REVENUES, TO LEVY, TO PLEDGE ANY FORM OF TAXATION WHATSOEVER OR TO MAKE ANY APPROPRIATION FOR ITS PAYMENT.

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

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

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

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

IN WITNESS WHEREOF, the Division of Bond Finance has issued this Bond on behalf of the Board of Regents and has caused the same to be signed by the Chairman of the Board of Regents or to be executed with his facsimile signature, and the corporate seal of the Board of Regents to be affixed hereto or imprinted hereon, attested by the Vice-Chairman of the Board of Regents with his manual or facsimile signature, all as of the first (1st) day of _____, 199_.

STATE BOARD OF REGENTS

ATTEST: _____
Vice-Chairman

Chairman

BOND REGISTRAR/PAYING AGENT'S CERTIFICATE OF AUTHENTICATION

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

AS BOND REGISTRAR/PAYING AGENT

By _____
Authorized Signature

Date of Authentication

APPROVAL CERTIFICATE OF THE DIVISION OF BOND FINANCE

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

DIVISION OF BOND FINANCE OF THE
STATE BOARD OF ADMINISTRATION

BY _____
GERALD LEWIS, Comptroller of
the State of Florida as Secretary of the
Governing Board of the Division of
Bond Finance of the State Board of
Administration

CERTIFICATE OF VALIDATION

This Bond is one of a Series of Bonds which was validated and confirmed by Judgment of the Circuit Court of the Second Judicial Circuit in and for Leon County, Florida, rendered on _____, 199_.

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

ASSIGNMENT

For value received, the undersigned _____ sells, assigns and transfers to _____

PLEASE INSERT SOCIAL SECURITY OR OTHER TAXPAYER IDENTIFICATION
NUMBER OF TRANSFEREE

the within Bond, and does hereby irrevocably constitute and appoint the Bond Registrar/Paying Agent as his agent, to transfer the Bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated _____

Signature Guaranteed:

(Bank, Trust Company or Firm)

Notice: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

(Authorized Signature)

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in ever particular, without alteration, enlargement or any change whatever, and the Social Security Number or federal employer identification must be supplied.

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

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

SECTION 3.03. INVESTMENT OF 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 Registered Owner or Owners of the Bonds shall ever have the right to compel the exercise of the taxing power of the State, or any political subdivision thereof, to pay such Bonds or the interest thereon, or be entitled to payment of such principal and interest from any other funds except such payments consisting of the Pledged Revenues, in the manner provided herein.

SECTION 4.02. APPLICATION OF HOUSING SYSTEM REVENUES. Upon collection the Housing 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 "Florida State University Housing Revenue Fund" (hereinafter referred to as the "Revenue Fund") which is hereby created. Said fund constitutes a trust fund for the purposes provided in this Resolution, and shall be kept separate and distinct from all other funds of the University and the Board of Regents and used only for the purposes and in the manner provided in this Resolution. All revenues on deposit at any time in the Revenue Fund shall be applied only in the following manner and order of priority:

(A) First, for payment of Current Expenses of the Housing System for the current month, and to maintain on deposit a sufficient amount of moneys for payment of the next months's Current Expenses of the Housing System, 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 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 Registered Owner 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 Building 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 Building 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 Building 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 Building 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. Optional redemption or purchase of Bonds; or
2. 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 Housing System.

(B) All previously authorized certificates or bonds shall have been issued and delivered, or authority for the issuance and delivery of any unissued portion thereof shall have been 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 thirty percent (130%) 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 Housing System, the average amount of Pledged Revenues for the two immediately preceding Fiscal Years prior to the issuance of said Additional Parity Bonds shall be adjusted to show the Pledged Revenues which would have been derived from the Housing System as if such increased rates, fees, rentals or other charges for the services or facilities of the Housing 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, or desires to add any housing facility to the Housing System, any privately or publicly owned existing housing facility, then the average amount of Pledged Revenues derived from the Housing System during the two immediately preceding Fiscal Years prior to the issuance of said Additional Parity Bonds as certified by the Board of Regents 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 housing facility so acquired as if such existing housing facility had been a part of the Housing System during such two Fiscal Years. For the purposes of this paragraph, the revenues derived from said existing housing facility during such two preceding

Fiscal Years shall be adjusted to determine such net revenues by deducting the cost of operation and maintenance of said existing housing facility from the gross revenues of said housing facility in the same manner provided in the Resolution for the determination of Pledged Revenues. 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 Housing 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 Project 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 Registered Owners 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 Registered Owners of the Bonds shall have a valid and enforceable senior lien on such Pledged Revenues in the manner provided herein.

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

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

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

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

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

SECTION 6.03. FEES, RENTALS OR OTHER CHARGES. (A) The Board of Regents covenants that it will fix, establish and collect such fees, rentals or other charges from students, faculty members and others using or being served by, or having the right to use, or having the right to be served by the Housing System, and revise the same from time to time whenever necessary, so that the Housing 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.

(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 the number of students living in the Housing System, or a reduction of Housing System Revenues for the then current or any future Fiscal Year.

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

SECTION 6.04. COMPLIANCE WITH TAX REQUIREMENTS: REBATE FUND. (A) In addition to any other requirement contained in this Resolution, the Division of Bond Finance, the Board of Regents, and the Board of Administration hereby covenant and agree, for the benefit of the Registered Owners from time to time of the Bonds, that each will comply with the requirements contained in Section 103 and Part IV of Subchapter B of Chapter 1 of the Internal Revenue Code of 1986, as amended, and temporary, proposed or permanent implementing regulations promulgated thereunder (the "Code") as shall be set forth in the non-arbitrage certificate of the Board of Regents dated and delivered on the date of 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 Housing 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 Registered Owners, but only to secure payment of the Rebate Amount, and the moneys in the Rebate Fund shall be available for use only as herein provided.

The Division of Bond Finance, the Board of Administration, and the Board of Regents shall not be required to continue to comply with the requirements of this section in the event that the Division of Bond Finance and the Board of Administration receive an opinion of nationally recognized bond/tax counsel that (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 6.05. ANNUAL FINANCIAL STATEMENT. (A) Annually, within ninety days after the end of the Fiscal Year, the University will prepare a financial statement of the Housing System for the preceding Fiscal Year, reflecting in reasonable detail the financial condition and record of operation of the Housing System, and other Pledged Revenue sources, including particularly the University's enrollment, the occupancy or degree of use and rates charged for the use of, and the insurance on, the Housing System and the status of the several accounts and funds established in this Resolution.

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

ARTICLE VII

REMEDIES

SECTION 7.01. ENFORCEABILITY BY REGISTERED OWNERS. (A) This Resolution, including the pledge of the Pledged Revenues, shall be deemed to have been made for the benefit of the Registered Owners from time to time of the Bonds, 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 Registered Owner or Owners of such Bonds, against either the Board of Regents or the Board of Administration or any other agency of the State, or instrumentality thereof having any duties concerning collection, administration and disposition of the Pledged Revenues. The Board of Regents does hereby consent to the bringing of any proceedings in any court of competent jurisdiction by any Registered Owner or Owners of the Bonds for the enforcement of all provisions of this

Resolution and does hereby waive, to the extent permitted by law, any privilege or immunity from suit which it may now or hereafter have as an agency of the State. However, no covenant or agreement contained in this Resolution or any Bond issued pursuant hereto shall be deemed to be the covenant or agreement of any officer or employee of the State in 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 Registered Owner of the Bonds, or any trustee acting for the Registered Owners of such Bonds, may by civil action in any court of competent jurisdiction, protect and enforce any and all rights, including the right to the appointment of a receiver, existing under the laws of the State, or granted and contained in this Resolution, and may enforce and compel the performance of all duties required by this Resolution, and by any applicable Statutes, to be performed by the Division of Bond Finance, the Board of Regents, the University, or the Board of Administration, or by any officer thereof, including the payment of the Pledged Revenues payable under this Resolution. Nothing herein, however, shall be construed to grant to any Registered Owner of the Bonds any lien on the Housing System or any other facility or funds of the University, or the Board of Regents, or the Division of Bond Finance.

ARTICLE VIII

MISCELLANEOUS

SECTION 8.01. RESOLUTION NOT ASSIGNABLE. This Resolution shall not be assignable by the Division of Bond Finance or the Board of Administration, except for the benefit of the Registered Owners; provided, however, the Board of Regents may lease, from time to time, to other tenants such portion or portions of the Housing System as are not needed by the Board of Regents, to the extent that any such lease would not 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 Registered Owners of more than fifty percent in principal amount of the Bonds then Outstanding or (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, the Registered Owners of more than fifty percent in principal amount of the Bonds 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 Registered Owners of Bonds required above for such modification or amendments, without the consent of the Registered Owners of all the Bonds.

For purposes of this section, to the extent any Series of Bonds is insured by a Bond Insurance Policy and such Series of Bonds is then rated in as high a rating category as the rating category in which such Series of Bonds was rated at the time of initial 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 Registered Owners of such Series.

The Resolution may be amended, changed, modified and altered without the consent of the Registered Owners of Bonds, (i) to cure any defect, omission, conflict, or ambiguity in this Resolution or between the terms and provisions hereof and any other document executed or delivered herewith, (ii) to provide other changes including such changes as may be necessary in order to adjust the terms hereof so as to facilitate the issuance of various types of Bonds including, but not limited to, Capital Appreciation Bonds, and any other Bonds which may be issued hereunder, which will not adversely affect the interest of such Registered Owners, (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 6.04 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 Registered Owners, (x) to amend or modify any provisions of this Resolution so long as such amendment or modification does not adversely affect the interests of the Registered Owners, (xi) to add any housing facility to the Housing System as long as the provisions of this Resolution are complied with, and (xii) to make any other amendments to this Resolution necessary to conform this Resolution to the loan agreement between the University and the United States Department of Education.

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 Registered Owner 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 Registered Owner thereof, all liability of the Board of Regents to the Registered Owner thereof for the payment of such bond shall forthwith cease, terminate, and be completely discharged, and thereupon it shall be the duty of the Board of Administration to hold such funds, without liability for interest thereon, for the benefit of the Registered Owner of such Bonds, who shall thereafter be restricted exclusively to such funds, for any claim of whatever nature on his part under this Resolution or on, or with respect to, said Bond. Any such funds held by the Board of Administration for the Registered Owners of such Bonds for seven years after the principal or Accreted Value of the respective Bonds for which such funds have been so set aside has become due and payable and remaining (whether at maturity or upon redemption or otherwise) shall be subject to the laws of the State of Florida relating to disposition of unclaimed property, and unless demand for the payment of such Bonds shall have been made, the obligation thereon shall be extinguished.

SECTION 8.06. 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 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, 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 Registered Owners thereof shall be entitled for payment solely out of the moneys or securities so deposited.

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

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

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

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

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 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 \$3,500,000), 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 Registered Owners shall have a lien on moneys in the Sinking Fund, except the moneys in the Rebate Fund, until such moneys are used or applied as provided herein.

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

SECTION 8.11. FISCAL AGENT. Upon sale and delivery of the 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 Building 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 Registered Owner. 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 Building 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 on November 17, 1992, as amended on January 26, 1993, July 23, 1996 and July 25, 2000, and as restated on July 25, 2000.

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

**A RESOLUTION
(THE FIFTH SUPPLEMENTAL RESOLUTION)
AUTHORIZING THE ISSUANCE OF
NOT EXCEEDING \$16,550,000
STATE OF FLORIDA, FLORIDA EDUCATION SYSTEM
FLORIDA STATE UNIVERSITY
HOUSING FACILITY REVENUE BONDS, SERIES 2004A**

October 28, 2003

A RESOLUTION (THE “FIFTH SUPPLEMENTAL RESOLUTION”) AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$16,550,000 STATE OF FLORIDA, FLORIDA EDUCATION SYSTEM, FLORIDA STATE UNIVERSITY HOUSING FACILITY REVENUE BONDS, SERIES 2004A, TO FINANCE RENOVATION OF A HOUSING FACILITY AT THE CAMPUS OF FLORIDA STATE UNIVERSITY; AMENDING THE ORIGINAL RESOLUTION, AND PROVIDING FOR AN EFFECTIVE DATE.

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

ARTICLE I

DEFINITIONS, AUTHORITY AND FINDINGS

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

“2004A Bonds” means the not exceeding \$16,550,000 State of Florida, Florida Education System, Florida State University Housing Facility Revenue Bonds, Series 2004A.

“2004A Project” means the renovation of Landis Hall, a housing facility on the main campus of Florida State University as previously approved by the Board and the Legislature, and subject to any deletions, modifications, or substitutions deemed necessary and expedient being approved by resolution of the Board or in writing by the Board’s authorized representative.

“2004A Project Construction Fund” means a trust fund held by the State Treasurer in which shall be deposited the net proceeds of the 2004A Bonds and other available moneys for the renovation of the 2004A Project.

“Bonds” means the Outstanding Bonds, the 2004A Bonds and any Additional Parity Bonds issued in accordance with Section 5.01 of the Original Resolution.

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

“Board of Governors” means the Florida Board of Governors, a body corporate, established pursuant to Article IX, Section 7, Florida Constitution, and its successors.

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

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

“Fifth Supplemental Resolution” means this resolution authorizing the issuance of the 2004A Bonds.

“Housing System” means the student living facilities of the University which are hereby defined as and shall include the following:

(1) The University's existing residence halls and apartments located in Tallahassee, Leon County, Florida on the Tallahassee campus of the University including the following facilities: Broward Hall, Bryan Hall, Cawthon Hall, Degraff Hall, Deviney Hall, Dorman Hall, Gilchrist Hall, Jennie Murphree Hall, Kellum Hall, Landis Hall, Reynolds Hall, Salley Hall, Smith Hall, the 2001A Project (Sherrill Williams Ragans Hall);

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

“Original Resolution” means the resolution adopted on November 17, 1992 by the Governor and Cabinet as the Governing Board of the Division of Bond Finance authorizing the issuance of the Bonds, as amended, and as restated on July 25, 2000.

“Outstanding Bonds” means the outstanding State of Florida, Board of Regents, Florida State University Housing Facility Revenue Bonds, Series 1993 Series 1994, Series 1996, Series 2001 (originally designated as Series 2000), and Series 2001A.

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

“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.

“State Board of Education” means the Florida State Board of Education, a body corporate, established pursuant to Article IX, Section 2, Florida Constitution, and its successors.

SECTION 1.02. AUTHORITY FOR THIS FIFTH SUPPLEMENTAL RESOLUTION. This Fifth Supplemental Resolution is adopted pursuant to the provisions of Article VII, Section 11(d) of the Florida Constitution, Sections 1010.60-1010.619, Florida Statutes, the State Bond Act, other applicable provisions of law, and Section 5.01 of the Original Resolution, and is supplemental to said Original Resolution.

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

(A) The Board of Governors is authorized under the Florida Constitution, to operate, regulate, control and be fully responsible for the management of the whole university system.

(B) The Board 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 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.

(C) The renovation of the 2004A Project at the Florida State University is necessary, desirable and in the best interest of the University.

(D) The Board of Governors adopted a resolution on September 24, 2003 requesting the Division of Bond Finance to take the necessary actions required for the issuance of the State of Florida, Florida Education System, Florida State University Housing Facility Revenue Bonds, Series 2004A.

(E) The State Board of Education adopted a resolution on October 21, 2003, requesting the Division of Bond Finance to take the necessary actions required for the issuance of the State of Florida, Florida Education System, Florida State University Housing Facility Revenue Bonds, Series 2004A.

(F) Pursuant to the State Bond Act, the Division of Bond Finance is authorized to issue the 2004A Bonds on behalf of the Board to finance the 2004A Project.

(G) The 2004A Project will be the renovation of Landis Hall, a housing facility on the campus of the Florida State University, substantially in accordance with the plans and specifications as may be approved by the Board or their authorized representatives from time to time.

(H) As required by Article VII, Section 11(e) of the Florida Constitution, the Florida Legislature approved the 2004A Project in Section 11, item 13, of Chapter 2003-397, Laws of Florida.

(I) The principal of and interest on the 2004A Bonds to be issued pursuant to this Fifth Supplemental Resolution, and all of the reserve, sinking fund and other payments provided for herein, will be payable solely from the revenues accruing to and to be received by the Board or the University in the manner provided by this Fifth Supplemental Resolution, consisting of the Pledged Revenues.

(J) The 2004A Bonds to be issued pursuant to this Fifth Supplemental Resolution will be secured on a parity as to the lien on the Pledged Revenues with the Outstanding Bonds.

(K) The 2004A Bonds to be issued pursuant to this Fifth Supplemental Resolution shall not constitute, directly or indirectly, a debt or a charge against the State of Florida or any political subdivision thereof, but shall be revenue bonds within the meaning of Article VII, Section 11(d), Florida Constitution, and shall be payable solely from funds derived directly from sources other than state tax revenues.

(L) The Division of Bond Finance pursuant to the statutes and constitutional provisions herein cited, is authorized to issue the 2004A Bonds, on behalf of, and in the name of the Board, subject to the terms, limitations and conditions contained in this Fifth Supplemental Resolution.

(M) 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.

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

(O) It is necessary and desirable to make various amendments to the Original Resolution in order to clarify the rights of the issuer of a Bond Insurance Policy with respect to the Bonds.

SECTION 1.04. RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the acceptance of the 2004A Bonds by those who shall hold the same from time to time, this Fifth Supplemental Resolution and the Original Resolution shall be deemed to be and shall constitute a contract among the Division of Bond Finance, the Board, the University and such Registered Owners. The covenants and agreements to be performed by the Board and the University shall be for the equal benefit, protection, and security of the Registered Owners of any and all of the Outstanding Bonds and the 2004A Bonds, as defined herein, all of which shall be of equal rank and without preference, priority, or distinction as to any of such Bonds over any other thereof, except as expressly provided therein and herein.

ARTICLE II

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

SECTION 2.01. AUTHORIZATION OF 2004A BONDS. Subject and pursuant to the provisions of this Fifth Supplemental Resolution and the Original Resolution, fully registered revenue bonds of the Board to be known as "State of Florida, Florida Education System, Florida State University Housing Facility Revenue Bonds, Series 2004A", are hereby authorized to be issued by the Division of Bond Finance on behalf of the Board in an aggregate principal amount not exceeding \$16,550,000, for the purpose of financing the construction, renovation, furnishing and equipping of the 2004A Project as described herein.

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

ARTICLE III

APPLICATION OF PROCEEDS

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

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

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

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

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

Any unexpended balance remaining in the 2004A Project Construction Fund, after a consulting architect shall certify that the 2004A Project has been completed and all costs thereof paid or payment provided for, shall be deposited in the Sinking Fund created by the Original Resolution.

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

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

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

ARTICLE IV

SECURITY FOR THE 2004A BONDS; COMPLETION BONDS

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

SECTION 4.02. BONDS SECURED BY ORIGINAL RESOLUTION. The 2004A Bonds shall be deemed to have been issued pursuant to the Original Resolution as fully and to the same extent as the Outstanding Bonds and

all of the covenants and agreements contained in the Original Resolution shall be deemed to have been made for the benefit of the Registered Owners of the 2004A Bonds as fully and to the same extent as 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 Fifth Supplemental Resolution to the same extent as if incorporated verbatim in this Fifth Supplemental Resolution, and shall be fully enforceable in the manner provided in the Original Resolution by any of the Registered Owners of the 2004A Bonds.

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

ARTICLE V

MISCELLANEOUS; AMENDMENT OF ORIGINAL RESOLUTION

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

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

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

(B) The Director of the Division of Bond Finance, in conjunction with the appropriate officer of the Board, is authorized and directed to execute and deliver any documents or agreements 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 Fifth Supplemental Resolution shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants or provisions shall be null and void and shall be deemed separable from the remaining covenants or provisions of this Fifth Supplemental Resolution or of the 2004A Bonds and shall in no way affect the validity or enforceability of any other covenants, agreements or provisions of this Fifth Supplemental Resolution or of the 2004A Bonds issued hereunder.

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

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

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

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

SECTION 1.01 DEFINITIONS. The following terms shall have the following 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:

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

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

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 October 28, 2003, 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 5.08. REPEAL OF INCONSISTENT RESOLUTIONS. All resolutions and parts of resolutions heretofore adopted pertaining to the subject matter of this Fifth Supplemental Resolution, to the extent that they are inconsistent with this Fifth Supplemental Resolution, be and the same are hereby repealed, revoked, and rescinded, but only to the extent of any such inconsistencies.

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

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

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

ADOPTED on October 28, 2003.

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APPENDIX D

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

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

September 20, 2011

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

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

ARTICLE I

DEFINITIONS, AUTHORITY; RESOLUTION TO CONSTITUTE CONTRACT

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

“Assistant Secretary” means an Assistant Secretary of the Division.

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

“Bond 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.

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

“Housing System” means the student living facilities of the University which are hereby defined as and shall include the following:

(1) The University’s existing residence halls and apartments located in Tallahassee, Leon County, Florida on the Tallahassee campus of the University, including the following facilities: Broward Hall, Bryan Hall, Cawthon Hall, Degraff Hall, Deviney Hall, Dorman Hall, Gilchrist Hall, Jennie Murphree Hall, Kellum Hall, Landis Hall, Reynolds Hall, Salley Hall, Smith Hall, Sherrill Williams Ragans Hall, McCollum Hall, Wildwood Hall, and Wildwood Hall (Phase II)(when opened);

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

“Original Resolution” means the resolution adopted on November 17, 1992 by the Governor and Cabinet as the Governing Board of the Division of Bond Finance authorizing the issuance of the Bonds, as amended, as restated on July 25, 2000, as amended on October 28, 2003, and as amended and supplemented by this Eleventh Supplemental Resolution, and as may be further amended from time to time.

“Outstanding Bonds” means the Outstanding State of Florida, Board of Regents, Florida State University Housing Facility Revenue Bonds, Series 1993 and 2001, the Outstanding State of Florida, Board of Education, Florida State University Housing Facility Revenue Bonds, Series 2001A, the Outstanding State of Florida, Florida Education System, Florida State University Housing Facility Revenue Bonds, Series 2004A and 2005A, and the Outstanding State of Florida, Board of Governors, Florida State University Dormitory Revenue Bonds, Series 2010A, as well as any Additional Parity Bonds.

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

“Refunded Bonds” means the portion of the State of Florida, Board of Regents, Florida State University Housing Facility Revenue Bonds, Series 2001, and the State of Florida, Board of Education, Florida State University Housing Facility Revenue Bonds, Series 2001A, to be refunded by the Refunding Bonds.

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

“Resolution” means the Original Resolution, as supplemented and amended through the date of this resolution. Where the context so requires, words importing singular number shall include the plural number in each case and vice versa, words importing persons shall include firms and corporations, and the masculine includes the feminine and vice versa.

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

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

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

SECTION 2.01. AUTHORIZATION OF ISSUANCE AND SALE OF REFUNDING BONDS. (A) Subject and pursuant to the provisions of the Resolution, fully registered revenue bonds of the Board of Governors to be known as “State of Florida, Board of Governors, Florida State University Dormitory Revenue Refunding Bonds, Series (to be designated) (or such other designation as may be determined by the Director), are hereby authorized to be issued and to be sold at competitive sale in an aggregate principal amount not exceeding \$33,000,000 on a date and at the time to be set out or provided for in the Notice of Bond Sale to be published as provided in this Eleventh Supplemental Resolution. The Refunding Bonds shall be sold to refund the Refunded Bonds. The Refunding Bonds may be combined with, designated the same as, and sold with any other series of Florida State University Dormitory Revenue Bonds. The maturities or portions of maturities to be refunded shall be as determined by the Director to be in the best financial interest of the State. The redemption of the Refunded Bonds on or after their first call date is hereby authorized.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) identify another qualified securities depository or

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

ARTICLE III APPLICATION OF PROCEEDS

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

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

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

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

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

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

ARTICLE IV SECURITY FOR THE BONDS

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

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

All of the covenants, agreements, and provisions of the Original Resolution, as amended and supplemented, except to the extent inconsistent herewith, shall be deemed to be part of this Eleventh Supplemental Resolution to the

same extent as if incorporated verbatim in this Eleventh Supplemental Resolution, and shall be fully enforceable in the manner provided in the Original Resolution, as amended and supplemented, by any of the Registered Owners of the Refunding Bonds.

ARTICLE V MISCELLANEOUS

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

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

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

(B) The Director, in conjunction with the appropriate officer of the Board of Governors, is authorized and directed to execute and deliver any documents or agreement which are necessary to comply with the requirements of 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 Eleventh 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 Eleventh Supplemental Resolution or of the Refunding Bonds and shall in no way affect the validity or enforceability of any other covenants, agreements or provisions of this Eleventh Supplemental Resolution or of the Refunding Bonds issued hereunder.

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

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

The authority for the issuance and delivery of the unissued portion of any previously authorized State of Florida, Florida State University Housing or Dormitory Revenue Bonds is hereby canceled.

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

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

SECTION 5.09. AMENDMENT OF ORIGINAL RESOLUTION. (A) 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~~.

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:

...

“Board of Governors ~~Regents~~” shall mean ~~the Board of Regents of the Division of Universities of the State of Florida Department of Education, as created pursuant to the provisions of Chapter 240, Florida Statutes~~ the Board of Governors created by Article IX, Section 7 of the Florida Constitution, and includes any other entity succeeding to the powers thereof.

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

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

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

ADOPTED on September 20, 2011.

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

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

April 23, 2013

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

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

**ARTICLE I
DEFINITIONS, AUTHORITY; RESOLUTION TO CONSTITUTE CONTRACT**

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

“Assistant Secretary” means an Assistant Secretary of the Division.

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

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

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

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

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

“Division” means the Division of Bond Finance of the State Board of Administration of Florida.

“Housing System” means the student living facilities of the University which are hereby defined as and shall include the following:

(1) The University’s existing residence halls and apartments located in Tallahassee, Leon County, Florida on the Tallahassee campus of the University, including the following facilities: Broward Hall, Bryan Hall, Cawthon Hall, Degraff Hall, Deviney Hall, Dorman Hall, Gilchrist Hall, Jennie Murphree Hall, Kellum Hall, Landis Hall, McCollum Hall, Reynolds Hall, Salley Hall, Smith Hall, Sherrill Williams Ragans Hall, Traditions Hall, and Wildwood Hall;

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

“Original Resolution” means the resolution adopted on November 17, 1992 by the Governor and Cabinet as the Governing Board of the Division of Bond Finance authorizing the issuance of the Bonds, as amended, as restated on July 25, 2000, as amended on October 28, 2003, and September 20, 2011, and as may be further amended from time to time.

“Outstanding Bonds” means the Outstanding State of Florida, Board of Regents, Florida State University Housing Facility Revenue Bonds, Series 1993, the Outstanding State of Florida, Florida Education System, Florida State University Housing Facility Revenue Bonds, Series 2004A and 2005A, and the Outstanding State of Florida, Board of Governors, Florida State University Dormitory Revenue Bonds, Series 2010A and Series 2011A, as well as any Additional Parity Bonds.

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

“Refunded Bonds” means all or a portion of the State of Florida, Florida Education System, Florida State University Housing Facility Revenue Bonds, Series 2004A, to be refunded by the Refunding Bonds.

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

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

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

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

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

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

ARTICLE II

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

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

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

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

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

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

(F) The Secretary or any Assistant Secretary of the Governing Board is hereby authorized and empowered to award said Refunding Bonds when offered, on his determination of the best proposal, as defined in the Notice of Bond Sale, submitted in accordance with the terms of the Notice of Bond Sale provided for herein, and such award shall be final. The Director or any Assistant Secretary of the Governing Board shall report such sale to the Governing Board after award of the Refunding Bonds. The Secretary or any Assistant Secretary of the Governing Board is authorized to deliver such Refunding Bonds to the purchasers thereof upon payment of the purchase price, together with any accrued interest to the date of delivery, and to distribute the proceeds of the Refunding Bonds as provided by this 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 Thirteenth Supplemental Resolution. The Refunding Bonds shall be issued in denominations of \$1,000 or any integral multiple thereof unless otherwise provided in the Notice of Bond Sale. The Refunding Bonds shall be payable at the corporate trust office of U.S. Bank Trust National Association, New York, New York, or its successor.

(L) The Refunding Bonds shall be subject to redemption as provided in the Notice of Bond Sale. The Notice of Bond Sale shall contain such redemption provisions as shall be determined by the Director to be in the best financial interest of the State. Upon election by the successful bidder as provided in the Notice of Bond Sale, a portion of the Refunding Bonds identified in

such election may be designated as Term Bonds. Additionally, in lieu of mailing the notice of redemption, the Bond Registrar/Paying Agent may elect to provide such notice by electronic means to any Registered Owner who has consented to such method of receiving notices.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) identify another qualified securities depository or

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

ARTICLE III APPLICATION OF PROCEEDS

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

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

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

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

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

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

ARTICLE IV SECURITY FOR THE BONDS

SECTION 4.01. REFUNDING BONDS ON A PARITY WITH THE OUTSTANDING BONDS. The Refunding Bonds shall be issued subject to the provisions of Sections 5.01 and 5.02 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 other Outstanding Bonds.

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

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

ARTICLE V MISCELLANEOUS

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

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

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

(B) The Director, in conjunction with the appropriate officer of the Board of Governors, is authorized and directed to execute and deliver any documents or agreement which are necessary to comply with the requirements of 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 Thirteenth 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 Thirteenth Supplemental Resolution or of the Refunding Bonds and shall in no way affect the validity or enforceability of any other covenants, agreements or provisions of this Thirteenth Supplemental Resolution or of the Refunding Bonds issued hereunder.

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

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

The authority for the issuance and delivery of the unissued portion of any previously authorized State of Florida, Florida State University Housing or Dormitory Revenue Bonds is hereby canceled.

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

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

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

ADOPTED on April 23, 2013.

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

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

March 6, 2014

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

“Assistant Secretary” means an Assistant Secretary of the Division.

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

“Bond 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.

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

“Housing System” means the student living facilities of the University which are hereby defined as and shall include the following:

(1) The University’s existing residence halls and apartments located in Tallahassee, Leon County, Florida on the Tallahassee campus of the University, including the following facilities: Broward Hall, Bryan Hall, Cawthon Hall, Degraff Hall, Deviney Hall, Dorman Hall, Gilchrist Hall, Jennie Murphree Hall, Kellum Hall, Landis Hall, McCollum Hall, Reynolds Hall, Salley Hall, Smith Hall, Ragans Hall, Traditions Hall, and Wildwood Hall; and

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

“Original Resolution” means the resolution adopted on November 17, 1992 by the Governor and Cabinet as the Governing Board of the Division of Bond Finance authorizing the issuance of the Bonds, as amended, as restated on July 25, 2000, as amended on October 28, 2003, and September 20, 2011, and as may be further amended from time to time.

“Outstanding Bonds” means the Outstanding State of Florida, Board of Regents, Florida State University Housing Facility Revenue Bonds, Series 1993, the Outstanding State of Florida, Florida Education System, Florida State University Housing Facility Revenue Bonds, Series 2004A and 2005A, and the Outstanding State of Florida, Board of Governors, Florida State University Dormitory Revenue Bonds, Series 2010A, Series 2011A, and Series 2013A, as well as any Additional Parity Bonds.

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

“Refunded Bonds” means all or a portion of the State of Florida, Florida Education System, Florida State University Housing Facility Revenue Bonds, Series 2005A, to be refunded by the Refunding Bonds.

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

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

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

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

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

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

SECTION 2.01. AUTHORIZATION OF ISSUANCE AND SALE OF REFUNDING BONDS. (A) Subject and pursuant to the provisions of the Resolution, fully registered revenue bonds of the Board of Governors to be known as “State of Florida, Board of Governors, Florida State University Dormitory Revenue Refunding Bonds, Series (to be determined) (or such other designation as may be determined by the Director), are hereby authorized to be issued and to be sold at competitive sale in an aggregate principal amount not exceeding \$39,000,000 on a date and at the time to be determined by the Director. The Refunding Bonds shall be sold to refund the Refunded Bonds. The Refunding Bonds may be combined with, designated the same as, and sold with any other series of Florida State University Dormitory Revenue Bonds. The maturities or portions of maturities to be refunded shall be as determined by the Director to be in the best financial interest of the State. The redemption of the Refunded Bonds on or after their first call date is hereby authorized.

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

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

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

authorized individuals shall be conclusive evidence that the Governing Board has approved the form and content of the final official statement and that the final official statement is complete as of its date.

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

(F) The Secretary or any Assistant Secretary of the Governing Board is hereby authorized and empowered to award said Refunding Bonds when offered, on his determination of the best proposal, as defined in the Notice of Bond Sale, submitted in accordance with the terms of the Notice of Bond Sale provided for herein, and such award shall be final. The Director or any Assistant Secretary of the Governing Board shall report such sale to the Governing Board after award of the Refunding Bonds. The Secretary or any Assistant Secretary of the Governing Board is authorized to deliver such Refunding Bonds to the purchasers thereof upon payment of the purchase price, together with any accrued interest to the date of delivery, and to distribute the proceeds of the Refunding Bonds as provided by this 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 Fourteenth Supplemental Resolution. The Refunding Bonds shall be issued in denominations of \$1,000 or any integral multiple thereof unless otherwise provided in the Notice of Bond Sale. The Refunding Bonds shall be payable at the corporate trust office of U.S. Bank Trust National Association, New York, New York, or its successor.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (1) identify another qualified securities depository or
- (2) prepare and deliver replacement Refunding Bonds in the form of fully registered bonds to each Beneficial Owner.

ARTICLE III APPLICATION OF PROCEEDS

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

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

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

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

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

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

ARTICLE IV SECURITY FOR THE BONDS

SECTION 4.01. REFUNDING BONDS ON A PARITY WITH THE OUTSTANDING BONDS. The Refunding Bonds shall be issued subject to the provisions of Sections 5.01 and 5.02 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 other Outstanding Bonds.

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

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

ARTICLE V MISCELLANEOUS

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

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

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

(B) The Director, in conjunction with the appropriate officer of the Board of Governors, is authorized and directed to execute and deliver any documents or agreement which are necessary to comply with the requirements of 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 Fourteenth 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 Fourteenth Supplemental Resolution or of the Refunding Bonds and shall in no way affect the validity or enforceability of any other covenants, agreements or provisions of this Fourteenth Supplemental Resolution or of the Refunding Bonds issued hereunder.

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

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

The authority for the issuance and delivery of the unissued portion of any previously authorized State of Florida, Florida State University Housing or Dormitory Revenue Bonds is hereby canceled, except for the authority for the issuance and sale of not to exceed \$18,000,000 State of Florida, Board of Governors, Florida State University Dormitory Revenue Refunding Bonds, Series (to be determined), approved April 23, 2013, which is hereby reaffirmed.

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

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

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

ADOPTED on March 6, 2014.

FLORIDA STATE UNIVERSITY¹
Tallahassee, Florida

Introduction and Brief History

Florida State University (the "University" or "FSU") is a fully accredited, public educational institution operated within the State University System of Florida. More than 41,000 students are enrolled, representing all 50 states and 132 foreign countries. With 16 colleges, students may take courses of study leading to the baccalaureate degree in 103 degree programs, to the master's degree in 115 degree programs, to the advanced master's degree in one program, to the specialist degree in 23 degree programs, to the doctorate degree in 76 degree programs, and to the professional degree in two degree programs. The academic divisions are the Colleges of Applied Sciences; Arts and Sciences; Business; Communication and Information; Criminology and Criminal Justice; Education; Engineering; The Graduate School; Human Sciences; Law; Medicine; Motion Picture Arts, Music; Nursing; Social Sciences and Public Policy; Social Work; and Visual Arts, Theatre and Dance. The University is designated a Research University by the Carnegie Foundation, which indicates robust research activity.

History

Florida State University, one of the largest and oldest of the 12 institutions of higher learning in the State University System of Florida, had its beginning with an 1851 act of the Florida Legislature establishing two seminaries, one located east and the other west of the Suwannee River. The West Florida Seminary first offered instruction at the postsecondary level in 1857. Its Tallahassee campus has been the site of an institution of higher education longer than any other site in Florida. In 1901, the institution became Florida State College, a four-year institution with a student body of 252.

In a 1905 reorganization of Florida's educational system by the Legislature, the University of Florida in Gainesville was established and designated a men's school, with Florida State College becoming a women's school called the Florida Female College. During 1909 the name of the college was changed to Florida State College for Women, an institution which grew to become the third largest women's college in the nation during the 1930s.

During the post-World War II era, demand by returning veterans brought men back to the campus in 1946, with the establishment of the Tallahassee Branch of the University of Florida. In 1947, the school returned to coeducational status and the name changed to Florida State University. The University has grown from an enrollment of 4,056 in 1947 to an enrollment of over 41,000 in the fall semester of 2013.

The 1950s brought further development and expansion to the University with the addition of colleges and schools for Library Science, Social Welfare (later divided into Social Work and Criminology), Business and Nursing. During the 1960s the University acquired the Shaw Poetry Collection, established the Institutes of Molecular Biophysics and Space Biosciences, founded the College of Law, opened the Panama City Branch and established the Program in Medical Sciences. The colleges of Social Sciences and Communication and the schools of Theatre and Visual Arts and Dance were founded during the 1970s.

Expanding on its longstanding reputation in the performing arts and to keep pace with professional movie studios opening in Florida, the University is currently the professional training ground for the expanding industry of film production. Florida State University admitted its first film students to the School of Motion Picture, Television and Recording Arts in the fall of 1989.

Among the special programs that have won national or international distinction in research are the Program in Nuclear Research, the Institute for Molecular Biophysics, the Florida State University Coastal and Marine Laboratory, the Center of Music Research, the Learning Systems Institute, the Florida State University Proton-Induced X-Ray Emission (PIXE) Laboratory, and the Florida State University Institute of Science and Public Affairs.

¹ Source: Information in Appendix G was provided by Florida State University.

In 1990, the National Science Foundation announced that Florida State University would be the home of the National High Magnetic Field Laboratory. A joint project with the University of Florida and Los Alamos National Laboratory, the lab is the nation's top center for research on magnets millions of times more powerful than the Earth's magnetic field. This facility was the first national lab located in Florida and began operations in 1994. Research at the lab is conducted in such diverse fields as biology, materials science, medicine, physics, chemistry, engineering and superconductivity.

In 2000, the Florida Legislature passed legislation funding the establishment of a medical school at the University. The University's College of Medicine has a mission centered on primary care, geriatric training, and service to rural and underserved areas. The medical school is community-integrated and provides the first two years of medical education on campus in Tallahassee and the last two years in community clinical settings around the state.

Since 2001, the University has operated the Ringling Center for the Cultural Arts in Sarasota, which includes the John and Mable Ringling Museum of Art and is the largest museum/university complex in the nation.

In addition to the branch campus, the University offers a variety of overseas study opportunities for students during the regular academic year located in Florence, Italy; Panama City, Republic of Panama; Valencia, Spain; and London, England. Courses at the study centers are offered each semester and cover a wide range of subject areas. International Programs also offers study programs, some general and some major specific, in: Tianjin, China; San Jose, Costa Rica; Dubrovnik, Croatia; Prague, Czech Republic; London, England; Paris, France; Dublin, Ireland; Tokyo, Japan; Amsterdam, Netherlands; Moscow, Russia; and Leysin, Switzerland. A summer Law program is offered in Oxford, England. There is one Linkage Institute, FLORICA, in Costa Rica, and Beyond Borders programs in Turrialba, Costa Rica, Kingston, Jamaica, and Dresden, Germany.

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 of the State Board of Education and the Board of Governors. The university President serves as the executive officer and corporate secretary of the Trustees and is responsible for all operations of the university. Other senior administrative officers of the universities are designated by the President. Generally, the Provost/Vice President for Academic Affairs assumes responsibility for the president during any absence and is the chief academic officer in the university organization. Other vice presidents have responsibility for specific areas within the organization. The deans of colleges and schools are responsible to the Provost for all matters relating to programs and personnel in their respective academic units.

University Trustees

Term Expires

Kathryn Ballard – Tallahassee, FL	January 6, 2018
Allan Bense (Chair) – Panama City, FL	January 6, 2016
Edward E. Burr – Jacksonville, FL	January 20, 2016
Dr. Joseph L. Camps, Jr. – Tallahassee, FL	January 20, 2016
Emily F. Duda – Oviedo, FL	January 6, 2011*
Joseph Gruters (CPA) – Bradenton, FL	January 6, 2016
Andy Haggard (CPA) – Coral Gables, FL	January 6, 2015
Mark Hillis – Winter Park, FL	January 6, 2015
Les Pantin – Miami, FL	January 6, 2018
Peggy Rolando – Coral Gables, FL	January 6, 2015
Brent Sembler – St. Petersburg, FL	January 6, 2015
Dr. Gary Tyson - Tallahassee, FL	April 23, 2014*
Stefano Cavallaro (University Student Body President) - Tallahassee, FL	March 26, 2015

*Will remain in office until a successor is appointed.

On March 7, 2014, the University Board of Trustees selected Provost and Executive Vice President for Academic Affairs Garnett S. Stokes to serve as interim president of the University starting April 2, 2014. The State University System of Florida Board of Governors must approve the appointment. Stokes replaces President Eric J. Barron, who is leaving Florida State to become president of Pennsylvania State University after leading FSU for four years. Stokes is a widely-known scholar in industrial and organizational psychology. She has served as the chief academic officer and second-highest ranking administrator of the University since coming to FSU in 2011 and also holds an appointment as a professor of psychology. Previously, she served as dean of the Franklin College of Arts and Sciences at the University of Georgia from 2004 to 2010.

Fiscal Management

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

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

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

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

Buildings and Other Capital Facilities

The University has expanded considerable from its earliest days when it operated in a few buildings on a small parcel of land. Today, Florida State operates in facilities located throughout the State, in more than 500 buildings and nearly 1,588 acres. The Main Campus, located in Tallahassee, sits on 474 acres. Other significant holdings, include the Southwest Campus, also located in Tallahassee, which houses the FAMU-FSU College of Engineering, the National High Magnetic Field Laboratory, and Innovation Park which is a major research/manufacturing center. The University also operates two

other significant campuses, the Panama City Campus and the John and Mable Ringling Museum of Art, which is located in Sarasota, Florida.

Capital Improvement Plan

The following table shows the capital improvement projects currently in progress for the University as well as the current and future funding sources for each. Many 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, etc.) provide monies to finance the remainder of the capital improvement projects.

Current Capital Improvement Projects* as of March 1, 2014

<u>Project</u>	<u>Funding Source</u>		<u>Total Project Cost</u>
	<u>Public Education Capital Outlay</u>	<u>Other Funding Sources</u>	
Educational and General Projects:			
FAMU/FSU College of Engineering	\$985,665	-	\$985,665
Johnston Building Annex	7,006,012	\$8,300,000	15,306,012
Asian Art Study Center	-	8,200,000	8,200,000
Library Information Commons	1,000,000	1,707,999	2,707,999
Eppes Building & Hecht House Renovations	-	5,666,651	5,666,651
Earth Ocean Atmospheric Sciences Building	-	3,850,000	3,850,000
Free Electron Laser Building	-	686,014	686,014
Dittmer 2 nd Floor Lab Renovations	-	716,500	716,500
Total Educational and General Projects	\$8,991,677	\$29,127,164	\$38,118,841
Infrastructure Projects & Repairs and Renovations:			
Repairs and Renovations	\$17,286,781	\$24,851,445	\$42,138,226
Utility / Infrastructure / Reroofing / Sidewalks / Plazas	8,642,715	-	8,642,715
Total Infrastructure Projects	\$25,929,496	\$24,851,445	\$50,780,941
Student Projects			
Thagard Student Affairs Renovations	-	\$2,750,000	\$2,750,000
University Housing Replacement	-	54,400,000	54,400,000
Athletics Indoor Practice Facility	-	14,868,666	14,868,666
Total Student Projects	-	\$72,018,666	\$72,018,666
Total Capital Improvement Projects	\$34,921,173	\$125,997,275	\$160,918,448

* Amounts are estimates and are subject to change.

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

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

Priority Number	Project Name	Request per Fiscal Years Ended June 30					Total Requested
		2014-15	2015-16	2016-17	2017-18	2018-19	
1	Utilities/Infrastructure/Capital Renewal/Roofs	\$10,000,000	\$10,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$65,000,000
2	FAMU-FSU College of Engineering III Joint Use	4,000,000	11,034,335	-	-	-	15,034,335
3	EOAS Building (Phase I)	30,000,000	26,100,000	5,000,000	-	-	61,100,000
4	STEM Teaching Lab Building	2,265,000	28,735,000	4,100,000	-	-	35,100,000
5	Firestone/Winchester Building Remodeling	1,627,000	18,187,000	2,900,000	611,000	6,875,000	30,200,000
6	Library System Improvements (Phase I)	1,400,000	13,000,000	5,000,000	-	-	19,400,000
7	Land Acquisition	5,000,000	-	5,000,000	-	5,000,000	15,000,000
8	Academic Support Building	2,400,000	31,000,000	4,000,000	-	-	37,400,000
9	Dittmer Building Remodeling	3,200,000	23,100,000	16,200,000	5,500,000	-	48,000,000
10	Physics Building	-	4,100,000	50,000,000	5,400,000	-	59,500,000
11	Kellogg Research Building Remodeling	-	-	-	1,500,000	15,400,000	16,900,000
12	Biology Unit I Building Remodeling	-	-	-	2,450,000	26,850,000	29,300,000
13	College of Business Building	-	-	-	1,900,000	27,850,000	29,750,000
14	Eppes Building Remodeling	-	-	-	1,000,000	12,000,000	13,000,000
Total		<u>\$59,892,000</u>	<u>\$165,256,335</u>	<u>\$107,200,000</u>	<u>\$33,361,000</u>	<u>\$108,975,000</u>	<u>\$474,684,335</u>

Budgetary Process

The University's operating budget is comprised of the following budget entities: Educational and General, Auxiliary Enterprises, Contracts and Grants, Student Activities, Intercollegiate Athletics, Financial Aid, Technology Fee and Concessions.

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

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

Student Activities. This budget consists primarily of planned expenditures to be funded from activity and service fees which the University is authorized by the rules of its Board of Trustees to charge its students. The budget is developed and approved in accordance with Section 1009.24(8) and (9)(a)(b), Florida Statutes.

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

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

The University submits all budgets to the Board of Trustees for approval. Approved budgets are released for expenditures to the University. All of the colleges/campuses of the University submit budget requests for additional

resources to the University Budget Office. Any new State resources are allocated to the University according to the priorities set by the president, as are any University-wide reductions. A comparison of the operating budgets of the University is included below for the years indicated.

Operating Budget

<u>Budget Entity</u>	Fiscal Years Ended June 30				
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
Educational and General	\$468,944,706	\$490,150,079	\$460,329,159	\$416,365,346	\$519,206,763
Technology Fee	3,879,217	9,080,776	12,723,181	14,793,661	10,994,704
Auxiliary Enterprises	199,587,448	190,591,925	212,790,357	229,377,831	263,041,755
Contracts and Grants	193,318,597	225,897,900	225,271,136	225,666,700	225,404,459
Student Activities	16,896,645	19,775,303	20,627,859	19,069,104	18,393,073
Intercollegiate Athletics	46,050,380	52,933,766	53,443,145	55,253,158	61,458,154
Financial Aid	119,652,752	141,889,324	156,572,417	133,198,879	150,426,185
Concessions	348,997	423,111	533,591	568,438	441,552
Total	\$1,048,678,742	\$1,130,742,184	\$1,142,290,845	\$1,094,293,117	\$1,249,366,645

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* (as a Percent of Total)

<u>Fund Source</u>	Fiscal Years Ended June 30				
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
State Appropriations	40.41%	35.02%	34.39%	29.65%	23.83%
Student Tuition and Fees	13.83%	15.90%	15.51%	19.67%	23.21%
Federal Grants and Contracts	14.05%	15.18%	15.95%	16.27%	17.38%
Auxiliary Enterprises	14.40%	13.81%	13.44%	14.88%	15.97%
State and Local Grants and Contracts	3.25%	2.83%	1.81%	1.23%	1.89%
Nongovernmental Grants and Contracts	0.33%	0.29%	0.40%	1.63%	1.91%
Noncapital Grants, Contracts, and Gifts	2.07%	2.32%	4.06%	3.89%	4.56%
Sales and Services of Educational Activities	0.16%	0.14%	0.04%	0.04%	0.04%
Federal and State Student Financial Aid	9.21%	10.69%	11.68%	10.04%	10.26%
Other Sources	<u>2.29%</u>	<u>3.82%</u>	<u>2.71%</u>	<u>2.69%</u>	<u>0.96%</u>
Total Current Fund Sources	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

* 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.

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

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
Registration and Tuition Fees					
In-State Students:					
Matriculation Fee	\$88.59	\$95.67	\$103.32	\$103.32	\$105.07
Building Fee ¹	2.32	2.32	2.32	-	-
Student Financial Aid Fee	4.42	4.78	5.16	5.16	5.25
Capital Improvement Trust Fund Fee ¹	<u>2.44</u>	<u>2.44</u>	<u>2.44</u>	<u>4.76</u>	<u>4.76</u>
Sub Total	\$97.77	\$105.21	\$113.24	\$113.24	\$115.08
Out-of-State Students (in addition to the above fees):					
Tuition	\$458.56	\$458.56	\$481.48	\$481.48	\$481.48
Supplemental Student Financial Aid Fee	<u>22.92</u>	<u>22.92</u>	<u>24.07</u>	<u>24.07</u>	<u>24.07</u>
Sub Total	\$579.25	\$586.69	\$618.79	\$618.79	\$620.63
Local Fees²					
Activity & Service Fee	\$9.96	\$11.69	\$11.69	\$12.24	\$12.86
Athletic Fee	6.77	7.24	7.39	7.54	7.90
Health Fee	8.81	12.44	12.96	13.42	13.97
Transportation Access Fee	7.40	7.90	8.40	8.90	8.90
Tuition Differential Fee	13.74	22.00	32.00	49.59	49.59
Student Affairs Facility Use Fee ³	2.00	2.00	2.00	2.00	2.00
Technology Fee	<u>4.42</u>	<u>4.78</u>	<u>5.16</u>	<u>5.16</u>	<u>5.25</u>
Sub Total	\$53.10	\$68.05	\$79.60	\$98.85	\$100.47
Total In-State Tuition and Fees	\$150.87	\$173.26	\$192.84	\$212.09	\$215.55
Total Out-of-State Tuition and Fees	\$632.35	\$654.74	\$698.39	\$717.64	\$721.10

¹ Beginning in Fiscal Year 2012-13, the Building Fee and Capital Improvement Trust Fund Fee were combined by the Legislature.

² Local Fees are assessed to both in-state and out-of-state students in addition to the registration and tuition fees.

³ Plus \$20 flat fee per semester.

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The following table lists the registration, tuition and local fees charged to each graduate student per credit hour.

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

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
Registration and Tuition Fees					
In-State Students:					
Matriculation Fee	\$265.33	\$305.12	\$350.88	\$403.51	\$403.51
Building Fee ¹	2.32	2.32	2.32	-	-
Student Financial Aid Fee	13.26	15.25	17.54	20.17	20.17
Capital Improvement Trust Fund Fee ¹	<u>2.44</u>	<u>2.44</u>	<u>2.44</u>	<u>4.76</u>	<u>4.76</u>
Sub Total	\$283.35	\$325.13	\$373.18	\$428.44	\$428.44
Out-of-State Students (in addition to the above fees):					
Tuition	\$601.34	\$601.34	\$601.34	\$601.34	\$601.34
Supplemental Student Financial Aid Fee	<u>30.06</u>	<u>30.06</u>	<u>30.06</u>	<u>30.06</u>	<u>30.06</u>
Sub Total	\$914.75	\$956.53	\$1,004.58	\$1,059.84	\$1,059.84
Local Fees²					
Activity & Service Fee	\$9.96	\$11.69	\$11.69	\$12.24	\$12.86
Athletic Fee	6.77	7.24	7.39	7.54	7.9
Health Fee	8.81	12.44	12.96	13.42	13.97
Transportation Access Fee	7.40	7.90	8.40	8.90	8.90
Student Affairs Facility Use Fee ³	2.00	2.00	2.00	2.00	2.00
Technology Fee	<u>4.42</u>	<u>4.78</u>	<u>5.16</u>	<u>5.16</u>	<u>5.25</u>
Sub Total	\$39.36	\$46.05	\$47.60	\$49.26	\$50.88
Total In-State Tuition and Fees	\$322.71	\$371.18	\$420.78	\$477.70	\$479.32
Total Out-of-State Tuition and Fees	\$954.11	\$1,002.58	\$1,052.18	\$1,109.10	\$1,110.72

¹ Beginning in Fiscal Year 2012-13, the Building Fee and Capital Improvement Trust Fund Fee were combined by the Legislature.

² Local Fees are charged to both resident and non-resident students in addition to the registration and tuition fees.

³ Plus \$20 flat fee per semester.

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

History of General Revenue Appropriations

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>Educational</u> <u>& General</u>
2009-10	\$275,351,820
2010-11	278,229,368
2011-12	250,310,540
2012-13	193,367,370
2013-14	286,154,381

The Fiscal Year 2012-13 General Appropriations Act (the "GAA"), Chapter 2012-118, Laws of Florida, incorporated reductions in appropriations to the State University System institutions totaling approximately \$300 million. The allocation of the total reduction varied by institution, with legislative expectations that the reduced appropriations would be nonrecurring and that the universities would offset a portion of the cuts with available unrestricted reserves and the authorization to raise tuition up to 15% for in-state undergraduate students. The GAA appropriated \$193.4 million in general revenue to Florida State University, reflecting a net reduction of \$56.9 million in general revenue appropriations from Fiscal Year 2011-12. The Board of Governors approved a 13% tuition differential increase for Florida State University for the 2012-13 academic year, which recouped \$8.5 million in revenues.

The Fiscal Year 2013-14 General Appropriations Act (the "GAA"), Chapter 2013-040, Laws of Florida, appropriated \$286.2 million in general revenue to Florida State University, reflecting a net increase of \$92.8 million in general revenue appropriations from Fiscal Year 2012-13, including a \$15 million appropriation for being one of two institutions designated as a Preeminent State Research University.

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

History of Trust Fund Appropriations

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>Educational</u> <u>& General</u> ¹	<u>Contracts & Grants</u>	<u>Auxiliary</u> <u>Enterprises</u> ²	<u>Other</u> ³	<u>Total</u>
2009-10	\$193,592,886	\$193,318,597	\$199,587,448	\$186,828,021	\$773,326,952
2010-11	211,920,711	225,897,900	190,591,925	224,102,280	852,512,816
2011-12	210,018,619	225,271,136	212,790,357	243,900,193	891,980,305
2012-13	222,997,976	225,666,700	229,377,831	222,883,240	900,925,747
2013-14	232,909,930	225,404,459	263,041,755	241,713,668	963,069,812

¹ Includes funds received from the State's Educational Enhancement Trust Fund from sales of lottery tickets, from student tuition and out-of-state fees and from other miscellaneous revenues. Also includes non-recurring funds of \$24,184,093 in Fiscal Year 2009-10 and \$23,127,026 in Fiscal Year 2010-11 from the 2009 American Recovery and Reinvestment Act (Federal Stimulus).

² Includes revenues generated primarily from sales to students, faculty and staff, University departments and other individuals.

³ Includes student activities, athletics, campus concessions, technology fee and financial aid.

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

History of Financial Aid Awards by Fiscal Year

Source of Award	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
Federal					
Number	78,549	92,397	102,321	99,542	90,775
Amount	\$207,068,685	\$241,032,856	\$261,586,630	\$271,016,685	\$263,025,973
State					
Number	44,373	46,284	41,131	27,784	44,967
Amount	\$59,737,666	\$60,809,079	\$61,435,638	\$51,059,063	\$49,720,227
Institutional					
Number	25,091	24,647	26,520	27,595	28,735
Amount	\$29,140,180	\$29,860,777	\$36,206,573	\$38,605,031	\$31,875,113
Private					
Number	7,473	6,403	7,285	7,780	1,341
Amount	\$8,837,870	\$8,699,589	\$8,452,140	\$9,384,969	\$6,968,529
Tuition Waivers					
Number	11,712	11,320	12,251	12,057	14,552
Amount	\$36,353,235	\$38,535,444	\$44,342,878	\$49,202,502	\$50,631,859
Total					
Number	167,198	181,051	189,508	174,758	180,370
Amount	\$341,137,636	\$378,937,745	\$412,023,859	\$419,268,250	\$402,221,701
Type of Award					
Grants					
Number	40,083	47,168	55,366	50,228	47,298
Amount	\$51,920,963	\$65,457,838	\$84,524,492	\$83,595,227	\$68,036,674
Loans					
Number	61,573	67,708	71,771	74,065	68,681
Amount	\$182,329,400	\$202,006,191	\$210,589,701	\$221,915,380	\$226,084,452
Scholarships & Tuition Waivers					
Number	63,978	65,334	61,573	49,631	50,605
Amount	\$105,275,494	\$109,953,253	\$115,555,363	\$112,013,246	\$108,100,575
Student					
Number	1,564	841	798	834	Not Available
Amount	\$1,611,779	\$1,520,462	\$1,354,304	\$1,744,397	Not Available
Total					
Number	167,198	181,051	189,508	174,758	166,584
Amount	\$341,137,636	\$378,937,745	\$412,023,860	\$419,268,250	\$402,221,701

Selected Historical Financial Information

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

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Statement of Net Assets
(In Thousands)

ASSETS:	At June 30,				
	2009	2010	2011	2012	2013
Current Assets:					
Cash and Cash Equivalents	\$16,308	\$3,403	\$10,684	\$14,792	\$22,259
Investments	490,943	544,340	599,794	619,422	556,821
Net Accounts Receivable	32,116	37,739	36,864	36,086	40,696
Due From State Agencies	108,372	72,138	42,761	12,067	10,452
Due From Component Units	8,153	12,224	13,838	10,454	12,338
Inventories	2,861	2,621	2,899	2,727	2,810
Net Loans and Notes Receivable - Current	2,157	2,140	2,509	2,212	1,978
Deferred Charges and Other Current Assets	<u>1,512</u>	<u>3,210</u>	<u>3,659</u>	<u>7,080</u>	<u>6,085</u>
Total Current Assets	\$662,422	\$677,815	\$713,008	\$704,840	\$653,439
Non-Current Assets:					
Restricted Cash and Cash Equivalents	\$19	\$27	\$2,637	\$50	\$1,469
Restricted Investments	37,184	36,817	82,065	43,577	34,744
Loans and Notes Receivable	14,248	13,247	11,975	11,927	11,555
Other Non-Current Assets	5,590	3,633	3,533	3,433	3,333
Net Property and Equipment	<u>1,520,147</u>	<u>1,574,125</u>	<u>1,667,918</u>	<u>1,734,902</u>	<u>1,800,748</u>
Total Non-Current Assets	<u>\$1,577,188</u>	<u>\$1,627,849</u>	<u>\$1,768,128</u>	<u>\$1,793,889</u>	<u>\$1,851,849</u>
Total Assets	<u>\$2,239,610</u>	<u>\$2,305,664</u>	<u>\$2,481,136</u>	<u>\$2,498,729</u>	<u>\$2,505,288</u>
LIABILITIES:					
Current Liabilities:					
Accounts Payable and Accrued Liabilities	\$31,668	\$38,236	\$51,406	\$41,691	\$49,139
Due to State Agencies	326	291	805	788	738
Due to Component Units	7,403	7,887	9,138	10,407	14,226
Deferred Revenues	83,252	60,465	40,718	26,209	25,180
Long Term Debt - Current Portion	15,271	11,705	13,615	14,097	13,793
Other Current Liabilities	<u>937</u>	<u>920</u>	<u>1,028</u>	<u>941</u>	<u>918</u>
Total Current Liabilities	\$138,857	\$119,504	\$116,710	\$94,133	\$103,994
Non-Current Liabilities:					
Compensated Absences Liability	\$47,011	\$47,995	\$49,644	\$53,221	\$53,787
Capital Improvement Debt Payable	235,099	179,669	234,615	225,255	210,408
Other Non-Current Liabilities	19,087	18,691	17,099	17,979	22,573
Other Postemployment Benefits Payable	<u>3,677</u>	<u>8,632</u>	<u>13,507</u>	<u>21,662</u>	<u>30,013</u>
Total Non-Current Liabilities	<u>\$304,874</u>	<u>\$254,987</u>	<u>\$314,865</u>	<u>\$318,117</u>	<u>\$316,781</u>
Total Liabilities	<u>\$443,731</u>	<u>\$374,491</u>	<u>\$431,575</u>	<u>\$412,250</u>	<u>\$420,775</u>
NET ASSETS:					
Invested in Capital Assets, Net of Related Debt Restricted	\$1,284,138	\$1,384,027	\$1,468,820	\$1,508,120	\$1,577,837
Expendable:					
Debt Service	\$445	\$276	\$3,810	\$3,748	\$3,845
Loans	4,021	4,275	4,812	3,970	3,513
Capital Projects	59,487	53,681	38,370	25,866	22,437
Other Restricted Assets	105,110	108,483	128,509	134,969	140,100
Unrestricted	<u>342,678</u>	<u>380,431</u>	<u>405,240</u>	<u>409,806</u>	<u>336,781</u>
Total Net Assets	<u>\$1,795,879</u>	<u>\$1,931,173</u>	<u>\$2,049,561</u>	<u>\$2,086,479</u>	<u>\$2,084,513</u>
Total Liabilities and Net Assets	<u>\$2,239,610</u>	<u>\$2,305,664</u>	<u>\$2,481,136</u>	<u>\$2,498,729</u>	<u>\$2,505,288</u>

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

	Fiscal Year				
	2008-09	2009-10	2010-11	2011-12	2012-13
Operating Revenues					
Student Tuition and Fees	\$229,002	\$255,108	\$289,266	\$323,240	\$349,769
Less: Tuition Scholarship Allowances	<u>(96,848)</u>	<u>(98,276)</u>	<u>(117,630)</u>	<u>(123,276)</u>	<u>(124,202)</u>
Net Student Tuition and Fees	132,154	156,832	171,636	199,964	225,567
Federal Grants and Contracts	126,131	141,405	156,319	156,785	160,700
State and Local Grants and Contracts	29,170	26,366	17,514	11,885	17,470
Private Gifts, Grants and Contracts	2,982	2,703	12,259	15,665	17,648
Sales and Services of Educational Departments	1,443	1,325	420	413	365
Sales and Services of Auxiliary Enterprises	129,247	128,657	133,147	143,372	147,707
Interest on Loans Receivable	245	257	282	268	288
Other Operating Revenue	<u>11,491</u>	<u>5,861</u>	<u>6,329</u>	<u>6,977</u>	<u>8,432</u>
Total Operating Revenues	\$432,863	\$463,406	\$497,906	\$535,329	\$578,177
Operating Expenses					
Personnel Services	\$513,723	\$524,482	\$570,758	\$567,584	\$577,137
Services and Supplies	171,991	172,821	174,047	189,249	200,290
Utilities	50,128	45,831	41,492	40,149	38,043
Scholarships and Fellowships	67,212	84,738	89,279	78,739	80,539
Depreciation Expense	67,047	66,361	65,945	60,337	62,386
Self Insurance Claims and Expense	<u>149</u>	<u>411</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Expenses	\$870,250	\$894,644	\$941,521	\$936,058	\$958,395
Total Operating Income (Loss)	(\$437,387)	(\$431,238)	(\$443,615)	(\$400,729)	(\$380,218)
Non-Operating Revenues (Expenses)					
State Noncapital Appropriations	\$362,682	\$302,976	\$313,308	\$285,598	\$220,355
State Appropriated American Recovery & Reinvest.	-	23,376	23,585	-	-
Investment Income	13,958	13,953	15,750	15,727	11,725
Federal and State Student Financial Aid	82,618	99,606	114,475	96,727	94,841
Unrealized Gains (Losses) on Investments	(5,523)	17,006	12	4,227	(11,794)
Other Non-Operating Revenue	1,833	1,050	2,342	294	582
Noncapital Grants, Contracts and Gifts	18,579	21,644	38,637	37,503	42,154
Gain/Loss on Disposal of Capital Assets	(3,989)	(1,030)	(1,977)	-	(6,580)
Interest on Asset Related Debt	(10,784)	(8,813)	(8,455)	(8,007)	(7,547)
Other Non-Operating Expenses	<u>(22,988)</u>	<u>(7,301)</u>	<u>(4,342)</u>	<u>(33,011)</u>	<u>(14,758)</u>
Total Non-Operating Revenue (Expenses)	\$436,386	\$462,467	\$493,335	\$399,058	\$328,978
Income (Loss) Before Contributions	(\$1,001)	\$31,229	\$49,720	(\$1,671)	(\$51,240)
Capital Appropriations	\$48,172	\$40,439	\$56,600	\$19,087	\$1,750
Capital Grants, Contracts and Donations	<u>18,582</u>	<u>13,591</u>	<u>12,068</u>	<u>19,502</u>	<u>47,524</u>
Change in Net Assets	\$65,753	\$85,259	\$118,388	\$36,918	(\$1,966)
Net Assets - Beginning of Year	\$1,730,126	\$1,795,879	\$1,931,173	\$2,049,561	\$2,086,479
Adjustment to Beginning Net Assets	<u>-</u>	<u>50,035</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Assets, Beginning of Year, as Restated	\$1,730,126	\$1,845,914	\$1,931,173	\$2,049,561	\$2,086,479
Net Assets End of Year	<u>\$1,795,879</u>	<u>\$1,931,173</u>	<u>\$2,049,561</u>	<u>\$2,086,479</u>	<u>\$2,084,513</u>

Students

General. Student enrollment at the University has steadily grown over the past several years. Approximately 85% of the students enrolled at the University attend full time. Total student enrollment is comprised of 78% undergraduates, 19% graduate students and 3% other students who are not enrolled in degree-granting programs. Women constitute 55% of the enrollment, minorities over approximately 30% and foreign international students comprise 4.9%.

The University has a long history of providing recognition and support for outstanding students. Through well-populated honors programs and honors societies, the University encourages excellence in all of its students. On Honors Night and throughout Honors Week, the University salutes students who have received institution-wide recognition for academic achievement. In addition, University students have been recipients of local, regional, or national awards recognizing outstanding student achievement.

Student Enrollment. The following table shows admission and registration data for the University.

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**Admission and Registration Headcounts and Percentages
by Type of Student**

	<u>Fall 2009</u>	<u>Fall 2010</u>	<u>Fall 2011</u>	<u>Fall 2012</u>	<u>Fall 2013</u>
Total Students:					
Applicants	36,471	39,583	41,174	42,545	41,448
Admitted	18,343	19,632	20,892	20,159	20,557
% of Applicants Admitted	50.3%	49.6%	50.7%	47.4%	49.6%
Enrolled	8,144	8,109	8,453	7,672	8,076
% of Admitted Enrolled	44.4%	41.3%	40.5%	38.1%	39.3%
First-Time-in-College:					
Applicants	18,583	20,469	22,316	23,587	23,471
Admitted	10,669	11,746	12,914	12,501	13,081
% of Applicants Admitted	57.4%	57.4%	57.9%	53.0%	55.7%
Enrolled	3,704	3,747	4,063	3,579	3,879
% of Admitted Enrolled	34.7%	31.9%	31.5%	28.6%	29.7%
Community College Transfers:					
Applicants	4,341	4,484	4,536	4,613	4,426
Admitted	2,395	2,551	2,482	2,401	2,263
% of Applicants Admitted	55.2%	56.9%	54.7%	52.0%	51.1%
Enrolled	1,813	1,818	1,803	1,710	1,731
% of Admitted Enrolled	75.7%	71.3%	72.6%	71.2%	76.5%
Other Undergraduate Transfers:					
Applicants	2,457	2,640	3,005	2,918	2,999
Admitted	686	753	779	671	610
% of Applicants Admitted	27.9%	28.5%	25.9%	23.0%	20.3%
Enrolled	379	396	424	361	383
% of Admitted Enrolled	55.2%	52.6%	54.4%	53.8%	62.8%
Graduate:					
Applicants	7,790	8,397	8,592	8,926	8,471
Admitted	3,695	3,714	3,903	3,635	3,682
% of Applicants Admitted	47.4%	44.2%	45.4%	40.7%	43.5%
Enrolled	1,975	1,907	1,919	1,783	1,860
% of Admitted Enrolled	53.5%	51.3%	49.2%	49.1%	50.5%
Professional Schools:					
Applicants	3,300	3,593	2,725	2,501	2,081
Admitted	898	868	814	951	921
% of Applicants Admitted	27.2%	24.2%	29.9%	38.0%	44.3%
Enrolled	273	241	247	239	223
% of Admitted Enrolled	30.4%	27.8%	30.3%	25.1%	24.2%

The table below shows the full-time equivalent (FTE) enrollment of the University and total headcount enrollment by level for the current and past four academic years. The full-time equivalent student calculation factor is a measure of student enrollment based on the number of student credit hours for which students enroll. Under Florida Board of Governors reporting*, 15 undergraduate student credit hours or 12 graduate student credit hours are equivalent to one FTE during the fall and spring semesters. During the summer semester, 10 undergraduate student credit hours or 8 graduate student credit hours are equivalent to one FTE. Annual full-time equivalency is 40 hours for undergraduate students and 32 hours for graduate students. FTE enrollment is determined by dividing the total number of hours enrolled by all students in a specific category by the appropriate hour requirement. For housing and financial aid purposes, undergraduate students are considered full time if they take 12 credit hours, and graduate students are considered full-time if they take 9 credit hours.

Full-Time Equivalent Enrollment by Level and Total Headcount Enrollment

<u>Academic Year</u>	<u>Annual Full-Time Equivalent*</u>			<u>Fall Headcount</u>			
	<u>Undergraduate</u>	<u>Graduate</u>	<u>Total</u>	<u>Undergraduate</u>	<u>Graduate</u>	<u>Other</u>	<u>Total</u>
2009-10	22,219	5,493	27,712	30,457	8,557	1,242	40,256
2010-11	22,471	5,483	27,954	31,005	8,511	1,322	40,838
2011-12	22,812	5,500	28,312	31,851	8,486	1,373	41,710
2012-13	22,567	5,312	27,879	31,943	8,155	1,203	41,301
2013-14	22,413	5,312	27,725	32,276	8,035	1,166	41,477

* Most national reporting of FTE uses 30 hours for undergraduate students and 24 for graduate. Multiplying the FTE figures by 4/3 roughly converts to the national metric.

The following table shows the enrollment projections for the University.

Projected Annual Full-Time Equivalent and Headcount Enrollment

<u>Academic Year</u>	<u>Fall Headcount</u>	<u>Annual Full Time Equivalent*</u>		
		<u>Undergraduate</u>	<u>Graduate</u>	<u>Total</u>
2014-15	42,000	22,815	5,783	28,598
2015-16	42,500	22,825	5,900	28,725
2016-17	43,000	22,835	6,016	28,851
2017-18	42,900	22,718	5,747	28,465
2018-19	43,100	22,718	5,862	28,580

* Most national reporting of FTE uses 30 hours for undergraduate students and 24 for graduate. Multiplying the FTE figures by 4/3 roughly converts to the national metric.

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The table below shows the total enrollment of students by area of origin.

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

<u>Area</u>	<u>Fall 2009</u>	<u>Fall 2010</u>	<u>Fall 2011</u>	<u>Fall 2012</u>	<u>Fall 2013</u>
Florida	32,950	33,568	34,272	33,947	34,028
Georgia	712	710	672	677	671
Virginia	382	374	331	329	337
New York	251	235	232	220	232
Texas	228	230	246	241	246
Pennsylvania	203	222	215	223	211
North Carolina	234	229	255	241	212
Maryland	160	142	142	151	154
New Jersey	176	154	185	200	218
Illinois	165	163	162	157	164
California	150	175	164	165	158
All Other States	<u>2,100</u>	<u>2,029</u>	<u>2,052</u>	<u>2,016</u>	<u>1,852</u>
USA Total	37,711	38,231	38,928	38,567	38,483
U.S. Territories	24	18	24	19	N/A
Non-U.S.A.	<u>2,520</u>	<u>2,589</u>	<u>2,758</u>	<u>2,715</u>	<u>2,994</u>
Total	40,255	40,838	41,710	41,301	41,477

Student Recruitment. The Office of Admissions is responsible for nationally recruiting and enrolling a student body consisting of outstanding academic talent. Students are recruited for whom intense study with faculty in seminars and tutorials will have rich personal meaning. The annual national campaign to recruit and enroll the fall class involves creating and updating publications; communicating with prospective students through direct mail and email campaigns; traveling to selected secondary schools, college fairs, Florida state colleges, and national and regional professional meetings of college placement counselors and admissions officers; and entertaining prospective students through tours, on-campus information sessions, and overnight stays in the residence halls. Affirmative action efforts include special mailings to minority students and hosting on-campus events for students and counselors.

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Student Quality Indicators. The following table shows the ranges of high school grade point averages (GPA), average Scholastic Aptitude Test (SAT) scores and average American College Test (ACT) scores for first-time-in-college students at the University.

**Student Quality Indicators
for First-Time-In-College Students**

	Middle 50% Range	Middle 50% Range	Middle 50% Range
Fall	<u>High School GPA</u>¹	<u>SAT Score</u>¹	<u>ACT Score</u>¹
2009	3.4-4.0	1120-1270	24-28
2010	3.5-4.0	1130-1280	24-28
2011	3.6-4.2	1160-1300	26-29
2012	3.7-4.2	1160-1290	26-29
2013	3.7-4.2	1150-1290	26-29

¹ Ranges represent the middle 50% statistics. Includes only regularly admitted students who meet the Florida Board of Education's freshman admissions requirements and excludes students admitted under the alternative admissions program. SAT scores shown are combined scores for the critical reading and mathematics subtests only.

A second measure of student quality is the University's number of National Merit Scholars, National Achievement Scholars and National Hispanic Scholars. The table below shows the number of National Merit Scholars, National Achievement Scholars and National Hispanic Scholars attending the University.

National Merit, National Achievement and National Hispanic Scholars

Fall	<u>Scholar</u>	<u>New</u>	<u>Other Undergraduate</u>
2008	National Merit Scholars	9	42
	National Achievement Scholars	1	7
	National Hispanic Scholars	4	9
2009	National Merit Scholars	18	43
	National Achievement Scholars	4	4
	National Hispanic Scholars	4	10
2010	National Merit Scholars	18	51
	National Achievement Scholars	4	5
	National Hispanic Scholars	4	13
2011	National Merit Scholars	16	62
	National Achievement Scholars	4	6
	National Hispanic Scholars	2	14
2012	National Merit Scholars	13	61
	National Achievement Scholars	4	10
	National Hispanic Scholars	2	12
2013	National Merit Scholars	14	61
	National Achievement Scholars	0	6
	National Hispanic Scholars	0	10

The following table shows the degrees awarded to the students at the University.

Degrees Granted by Discipline

School/College	2009-10				2010-11				2011-2012				2012-13			
	B	M	S/P ¹	D ²	B	M	S/P ¹	D ²	B	M	S/P ¹	D ²	B	M	S/P ¹	D ²
Applied Studies	-	-	-	-	-	-	-	-	-	-	-	-	15	-	-	-
Arts & Sciences	1,572	266	-	139	1,705	294	-	173	1,789	279	-	194	2,049	321	-	170
Business	1,574	295	-	18	1,657	238	-	19	1,553	281	-	11	1,485	293	-	8
Communications & Information	483	415	5	20	442	383	8	17	476	347	4	22	487	347	2	12
Criminology & Criminal Justice	386	50	-	3	371	59	-	11	480	47	-	5	435	73	-	5
Education	551	359	37	38	422	382	50	61	333	343	55	65	282	331	50	47
Engineering	253	43	-	15	229	57	-	18	305	52	-	20	257	55	-	15
Human Sciences	800	52	-	17	782	34	-	22	772	50	-	11	747	47	-	14
Law	-	4	249	-	-	2	267	-	-	3	288	-	-	10	239	-
Medicine	-	10	-	97	-	13	-	117	-	13	-	123	-	-	-	112
Motion Picture Arts	26	28	-	-	22	28	-	-	30	27	-	-	34	32	-	-
Music	164	91	-	42	161	115	-	48	137	84	-	41	139	125	-	46
Nursing	220	38	-	-	130	33	-	-	108	5	-	16	119	125	-	-
Social Sciences	1,475	281	-	32	1,419	268	-	26	1,468	290	-	41	1,476	312	-	42
Social Work	106	166	-	7	87	175	-	5	112	221	-	7	108	240	-	1
The Graduate School	-	-	-	-	-	-	-	-	-	-	-	-	-	3	-	-
Visual Arts, Theatre & Dance	317	105	-	6	338	91	-	13	297	98	-	6	305	110	-	6
Total	7,927	2,203	291	434	7,765	2,172	325	530	7,860	2,140	347	562	7,938	2,316	291	497

Note: B= Baccalaureate Degree, M= Master's Degree, S= Specialist Degree, P= Professional Degree, D= Doctoral Degree.

¹ Includes J.D. degrees

² Includes M.D. degrees

Faculty

In Fall 2012, 33.8% of faculty held the rank of Professor, 24.1% were Associate Professors, 16.6% were Assistant Professors, 0.5% were Instructors and 25.0% were in other faculty classifications. Approximately 92% of faculty held terminal degrees. The Fall 2012 student to faculty ratio was 26 to 1.

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The University's faculty includes nationally and internationally recognized scholars. Faculty members have been elected to serve as members of the National Academy of Sciences and the American Academy of Arts and Sciences. Additionally, a total of six Nobel laureates have served on the staff at Florida State University.

Faculty Data

Academic Year	Full-Time Faculty ¹	Part-Time Faculty ¹	Tenured Faculty ²
2009-10	1,835	59	825
2010-11	1,791	66	829
2011-12	1,779	65	812
2012-13	1,856	67	827
2013-14	1,899	67	821

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.

Personnel

The University employed the following personnel as of Fall 2013:

Traditional Faculty	1,966
OPS Faculty	456
Administrative and Professional Employees	2,050
USPS (Support Personnel)	2,092
Graduate Assistants	3,202
Post Doctorates	169
OPS (Work Study, Temporary, Student Assistants)	4,329
Lab School	115
Librarians	<u>57</u>
Total Employees	14,436

Division of Student Affairs

The University provides students with opportunities outside the classroom to stimulate social and cultural awareness, physical well-being, intellectual expansion and spiritual and moral growth. The Division of Student Affairs works to ensure that all students are able to take advantage of the formal and informal educational experiences offered by the University.

The Vice President for Student Affairs and staff offer and coordinate programs that provide housing, career guidance, mental and physical health care, recreation, child care, self-governance, leadership development, enhancement of academic skills to students and mentoring programs for women. The Oglesby Student Union, with its information center, main lounge and several restaurants and banking facilities, along with the world's only collegiate circus, the Flying High Circus, are under the aegis of Student Affairs. Student Affairs is also responsible for programs and services for international students, disabled students, minority students and student activities and organizations.

One of the goals of Student Affairs is to encourage the moral development of students so that they can make positive contributions to society. To support service learning opportunities, the Campus-Community Partnership Program was established. The Florida Office of Campus Volunteers is hosted by the University and guided by Student Affairs staff, who also assist with the selection of the President's Humanitarian of the Year Award.

Direct Support Organizations

There are currently thirteen direct-support organizations, which are considered component units of the University including: The Florida State University Foundation, Inc., Florida State University Alumni Association, Inc., Florida State University International Programs Association, Inc., Seminole Boosters, Inc., Florida State University Financial Assistance, Inc., Florida Medical Practice Plan, Inc., Florida State University Magnet Research and Development, Inc., The Florida State University Real Estate Foundation, Inc., The Florida State University Performing Arts Center Foundation, Inc., Florida State University College of Business Investment Fund, Inc., The Florida State University Foundation for Innovation, Inc., The Florida State University Athletics Association, Inc., The Florida State University Research Foundation, Inc. and The John and Mable Ringling Museums of Art Foundation, Inc.

Endowments and Fund Raising Efforts

A non-profit 501(c)(3) organization, the Florida State University Foundation, Inc. (the "University Foundation") was organized in 1960, and exists to secure and manage private voluntary contributions. It is specifically responsible for receiving, investing and administering all private gifts and bequests made to the University, except those made to The Florida State University Research Foundation, Inc.

Although the University Foundation was chartered in 1960, academic fund-raising was not a priority until 1991 when the University's first capital campaign, Investment in Learning, was launched with a goal of \$200 million. When the Investment in Learning Campaign ended on December 31, 1997, it had raised more than \$301 million.

In the spring of 2000, the Foundation Board of Trustees approved the initiation of the University's second capital campaign and its five-year campaign budget. Florida State University publicly announced the launch of the FSU CONNECT Campaign on October 26, 2001, which was completed on December 31, 2005 and raised more than \$630 million to support students, faculty and academic programs over five years.

The University is currently in the silent phase of its next comprehensive campaign. Detailed planning is underway with the University leadership to identify the strategic fundraising priorities along with analysis of the prospect pool. The campaign's goal is expected to be at least \$1.0 billion. During the past five years, the University has raised approximately \$500 million.

The table below sets forth financial information relating to the University Foundation. The fluctuations in revenues over the last five years are, in part, a result of market volatility. In Fiscal Year 2008-09 the University Foundation recognized a realized and unrealized loss on investments of approximately \$81.9 million. Other revenues of \$32.7 million partially offset this loss. However, total revenues for 2008-09 were still negative (\$49.5 million) given the size of the investment-related loss. This significant reduction was the result of the nationwide economic downturn.

<u>Fiscal Year</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Revenues</u>	<u>Expenditures</u>
2008-09	\$415,129,839	\$18,726,067	(\$49,545,339)	\$48,945,507
2009-10	\$447,345,645	\$16,800,324	\$85,339,438	\$51,197,889
2010-11	\$504,811,417	\$12,274,686	\$117,256,509	\$55,265,099
2011-12	\$498,250,336	\$12,641,411	\$47,701,757	\$54,629,563
2012-13	\$550,932,086	\$11,410,712	\$114,621,074	\$61,783,682

Gifts received by the University Foundation are shown in the table below by donor type.

Gift Report by Fiscal Year
Current Receipts and Deferred Additions by Donor Type

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
Current Operations:					
Unrestricted	\$158,157	\$137,992	\$86,855	\$110,338	\$180,388
Restricted ¹	27,195,924	36,293,761	39,614,236	38,548,584	35,770,372
Loan Funds	-	3,318	2,333	9,094	4,025
Property, Buildings, Equipment	<u>3,386,564</u>	<u>1,676,938</u>	<u>1,836,684</u>	<u>3,729,361</u>	<u>2,857,016</u>
Total Current Gifts	30,740,645	38,112,009	41,540,008	42,397,377	38,811,801
Endowment:					
Restricted ²	<u>16,382,608</u>	<u>14,812,500</u>	<u>7,975,988</u>	<u>11,930,647</u>	<u>22,006,519</u>
Total Endowment Gifts	16,382,608	14,812,500	7,975,988	11,930,647	22,006,519
Total Cash Gifts	47,123,253	59,924,509	49,515,966	54,328,024	60,818,320
Present Value of Deferred Gifts³	<u>201,337</u>	<u>1,021,194</u>	<u>397,163</u>	<u>614,302</u>	<u>451,614</u>
Total Gifts	<u>\$47,324,90</u>	<u>\$53,945,703</u>	<u>\$49,913,159</u>	<u>\$54,942,326</u>	<u>\$61,269,934</u>

¹ Gifts restricted for use by the University for Academic Support, scholarships, research, etc.

² Endowed gifts restricted for use by the University for Academic Support, scholarships, research, etc.

³ Represents the present value of deferred gifts (trusts and annuities) received during the fiscal year.

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FLORIDA STATE UNIVERSITY

A N N U A L R E P O R T 2 0 1 2 - 2 0 1 3



Florida State University Annual Report 2012-2013

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This year marked a turning point at Florida State University as we embarked on a new era of change and growth to achieve the highest level of quality in our history and produce graduates who are exceptionally prepared for the marketplace.

Dr. Eric J. Barron

Official designation as one of two “preeminent” universities in the state by the Florida Legislature and Florida Board of Governors was a significant achievement that will propel the institution forward toward its goal of becoming a Top 25 university.

In 2013, Florida State rose again in the *U.S. News & World Report* quality rankings, from 42 to 40 among public universities. While improving quality even further, our actions this year served to elevate Florida State’s reputation.

In many areas, we already keep company with the Top 25 high-quality, research institutions. Our graduation performance rate – how many students we graduate compared to how many we might be expected to graduate based on a number of factors – is ranked 4th in the nation by *U.S. News & World Report*. This is an incredible achievement and a testament to our talented faculty and staff.

We are 17th in the nation in retaining freshmen, 19th in student acceptance, 13th in students’ verbal SAT scores and 9th in the nation in alumni giving – reflecting that alumni value their Florida State college experience. We have an 87 percent graduation rate among student-veterans compared to 60 percent nationally. This demonstrates our commitment to student-veterans and highlights our efforts at engagement.

Ranked most efficient university in delivering quality in the United States by *U.S. News*, we already have proven we know how to efficiently spend every dollar. The areas where we need to improve to reach a Top 25 ranking all have to do directly with resources.

In the past two years, we have added more than 100 new faculty members and will spend \$6 million in preeminence funding the first year to hire more faculty. We will spend \$1 million to attract National Academy members – \$3 million over the next five years. Hiring more faculty will improve our strength in the STEM fields and will improve our overall student/faculty ratio.

In addition, we unveiled a comprehensive, seven-point plan this year that has become a state model for addressing student career success by focusing on: creating a culture of entrepreneurship that crosses the entire university; clearing the way for patents, licensing and start-up companies; investing in faculty areas mostly likely to create new jobs; playing a greater leadership role in the economic development of the Tallahassee region; partnering with FAMU and TCC to attract employers by ensuring their workforce needs can be met; embedding career success within the curriculum; and making the most of our nationally recognized Career Center.

We acquired the Donald L. Tucker Civic Center this year – and we have big plans. The surrounding property is being transformed into a vibrant area featuring Legacy Hall, a new home for our outstanding College of Business. The Dedman School of Hospitality will be relocated to the site, and the university will build a hotel. This will provide excellent hands-on experience for our hospitality students.

Along with the interdisciplinary “Big Ideas” associated with our philanthropic efforts, all of these strategies came together in 2013, creating tremendous new synergy on campus.

Our focus on academic excellence is not only intended to move FSU higher in the national rankings, but more importantly to foster student success. The achievements we already have made are sweeping through the university in a powerful way.

The future looks extremely bright.

Introduction From The Vice President for Finance and Administration



Florida State University experienced a tremendous amount of success and growth during the 2012-13 fiscal year. We continue to rise in national rankings, increase our research endeavors, add to the quality of students' education, and boldly pursue transformational "Big Ideas."

Kyle C. Clark

Since my arrival in September, I have had the opportunity to see first-hand the high level of enthusiasm shared by so many for this great institution as well as the depth of expertise and breadth of innovation that exists across Florida State University.

The past year brought many accomplishments and accolades for Florida State which have set the stage for the continued strategic advancement of the institution and the continued enhancement of our national reputation and rankings.

Aiming for the Top 25 & Preeminent University Designation

Florida State University once again advanced in the *U.S. News & World Report* public university rankings this year and is currently listed as 40th among all public universities. That is an unparalleled increase of six-places in just the past two years, continuing our trajectory toward the top 25. The State of Florida officially designated Florida State University as one of the state's preeminent universities this year and provided additional funding in support of our strategies and to enhance our national prominence. Criteria for preeminence encompasses 12 metrics by which universities are evaluated. We met 11 out of 12 of these requirements.

The Most Efficient University

Florida State was named the "most efficient university in the nation in delivering quality" by *U.S. News*. This recognition is based on our high level of overall operating efficiency and our quality ranking. According to the "Best Colleges" rankings, Florida State tops the list with efficient spending while also delivering an incredibly diverse, rich, and life-changing experience to our students, faculty and staff. This distinction underscores our long commitment to providing an affordable world-class education.

The Donald L. Tucker Center

The Donald L. Tucker Center, commonly referred to as the Civic Center, officially became a Florida State University owned facility in July 2012. We have already made substantial renovations and improvements to the Tucker Center and continue to move forward with a bold plan for a new convention and entertainment district in the years to come. Our goal is to provide Tallahassee with a signature venue for Florida State and our entire community – providing opportunities to enhance the overall experience, attract more tourists, as well as improve the variety of events, conferences, trade shows, and concerts that come to the capital city for the benefit of the entire Tallahassee community.

Enhancing Our Student Residence Halls

Florida State's newest student residence building, Traditions Hall, opened this year. The apartment-style units, located at 945 Learning Way, are intended for upperclassmen and graduate students. This hall, which can accommodate up to 276 students, is another example of our ongoing commitment to our students and their total education experience. We are also excited about our new multiphase "University Housing Replacement Project". This project, which will accommodate 431 students, is scheduled to be completed by summer 2015.

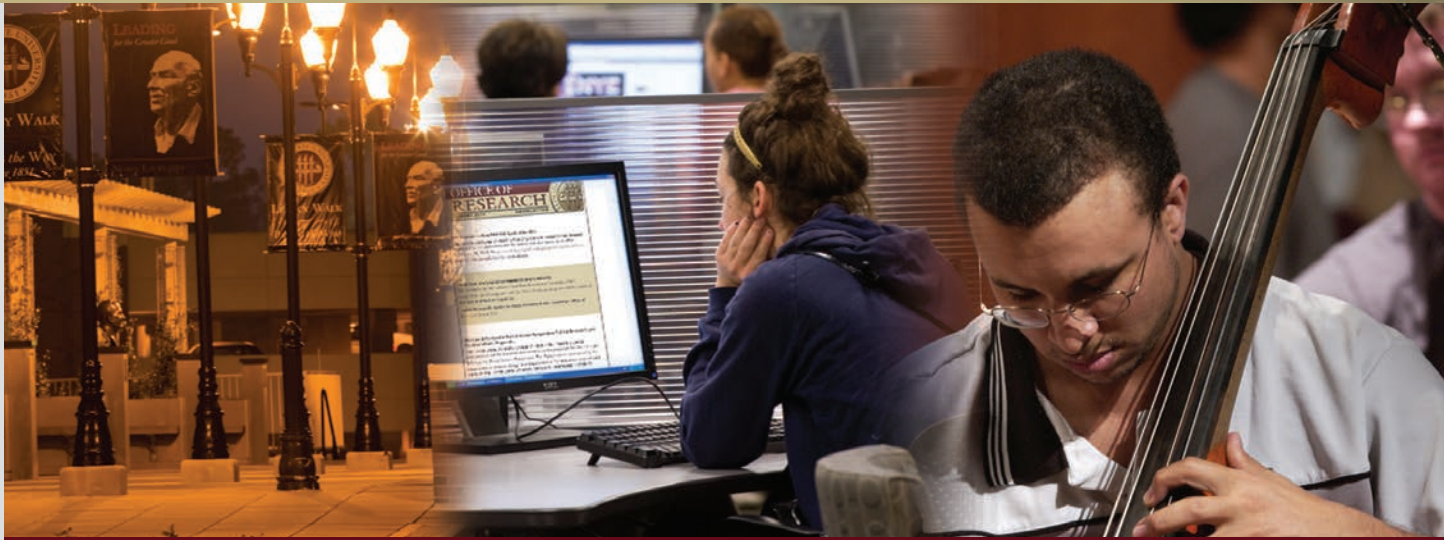
SACS Re-accreditation

Significant effort and time was spent this year preparing for re-accreditation with the Southern Association of Colleges and Schools, Commission on Colleges (SACSCOC). Reaffirmation is a University-wide initiative that occurs once every 10 years and involves demonstrating compliance with the SACS Principles of Accreditation and the preparation of an extensive Quality Enhancement Plan (QEP). The time and effort put into preparing for re-accreditation demonstrates our commitment to higher education and our desire to continuously improve the quality of the institution.

I am truly proud and honored to be a part of the Florida State University family and look forward to all the possibilities and opportunities that the coming years will bring.

Go Noles!

University Overview



MISSION

Florida State University (the University) is a comprehensive, graduate-research university with a liberal arts base. It offers undergraduate, graduate, advanced graduate and professional programs of study; conducts extensive research; and provides service to the public. The University's primary role is to serve as a center for advanced graduate and professional studies while emphasizing research and providing excellence in undergraduate programs.

In accordance with the University's mission, faculty members have been selected for their commitment to excellence in teaching, their ability in research and creative activity and their interest in public service.

Given its history, location and accomplishments, the University does not expect major changes in its mission during the next decade. Rather, it sees further refinement of that mission with concentration on its strong liberal-arts base and on quality improvement.

HISTORY

The University is one of the largest and oldest of twelve units of the Division of Colleges and Universities of the Florida Board of Education. It was established as the Seminary West of the Suwannee by an act of the Florida Legislature in 1851 and first offered instruction at the post-secondary level in 1857. Its Tallahassee campus has been the site of an institution of higher education longer than any other site in the state. In 1905, the Buckman Act reorganized higher education in the state and designated the Tallahassee school as the Florida Female College. In 1909, it was renamed Florida State College for Women. In 1947, the school returned to coeducational status, and the name was changed to Florida State University. It has grown from an enrollment of 2,583 in 1946 to an enrollment of over 41,000 in the fall semester of 2012.

CAMPUS / CENTERS / PROGRAMS

In each succeeding decade, the University has added to its academic organization and now comprises 16 colleges, plus the Graduate School. It has expanded to over 536 buildings on approximately 1,568 acres, including the downtown Tallahassee main campus of 446 acres, the Ringling Museum of 66 acres and the Panama City branch campus of 26 acres. The University also offers degree programs in Sarasota, Florida and the Republic of Panama; instructional programs in London, Florence, and Valencia; and research, development, and/or service programs in Costa Rica, Croatia, and Italy.

Through Academic and Professional Program Services, the University offers courses and degree programs online and at many off-campus sites around the state, non-credit programs, workshops, seminars and conferences. The University also operates the John and Mable Ringling Museum of Art located in Sarasota, Florida, which is the largest museum/university complex in the nation.

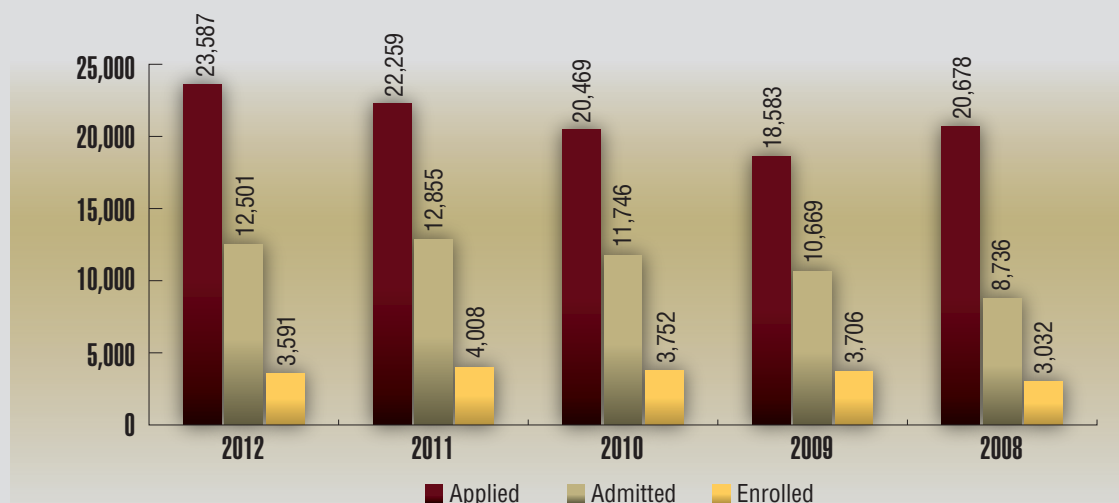


STUDENTS

As a major comprehensive residential state university, the University attracts students from every county in Florida, every state in the nation and 132 foreign countries. The University is committed to high admission standards that ensure quality in its student body, which includes 102 National Merit, National Achievement and Hispanic scholars, as well as students with superior creative talents. The University also provides alternative admissions and highly successful retention programs for special student populations.

Graduate students comprise 20 percent of the student body and are enrolled in 139 graduate/specialist degree programs, 76 doctoral programs and 2 professional programs.

Freshman Applied, Admitted, and Enrolled (Fall Term)



Headcount by School/College (Fall Term)

	2012	2011	2010	2009	2008
Applied Studies	129	41	-	-	-
Arts & Sciences	10,593	10,712	10,046	9,507	8,842
Business	5,822	5,843	5,825	5,985	6,145
Communication and Information*	2,531	2,614	2,701	2,702	1,615
Criminology & Criminal Justice	1,812	1,766	1,653	1,466	1,342
Education	2,187	2,221	2,377	2,642	2,941
Engineering	2,051	1,980	1,873	1,763	1,608
The Graduate School-Materials Science Program	12	8	9	4	-
Human Sciences	3,246	3,021	2,962	3,098	3,170
Information	-	-	-	-	1,125
Law	704	734	783	768	762
Medicine	521	519	517	490	435
Motion Pictures, TV & Recording Arts	220	174	182	188	181
Music	1,149	1,160	1,136	1,149	1,120
Nursing	451	670	856	902	906
Social Sciences & Public Policy	4,770	4,886	4,812	4,888	4,704
Social Work	894	815	741	675	694
Visual Arts, Theatre & Dance	1,479	1,540	1,576	1,535	1,615
Undecided/Special	2,730	3,006	2,789	2,493	1,931
Total	41,301	41,710	40,838	40,255	39,136

*The College of Communication and the College of Information merged in Fall 2009 to form the College of Communication and Information.

Degrees Awarded - Academic Year

	2012-13	2011-12	2010-11	2009-10	2008-09
Bachelor's	7,889	7,860	7,818	7,927	7,630
Master's	2,311	2,142	2,210	2,203	2,129
Specialist	52	59	59	42	47
Juris Doctorate	239	288	268	249	263
Doctorate	385	444	429	340	343
M.D.	112	118	113	94	74
Total	10,988	10,911	10,897	10,855	10,486

FACULTY

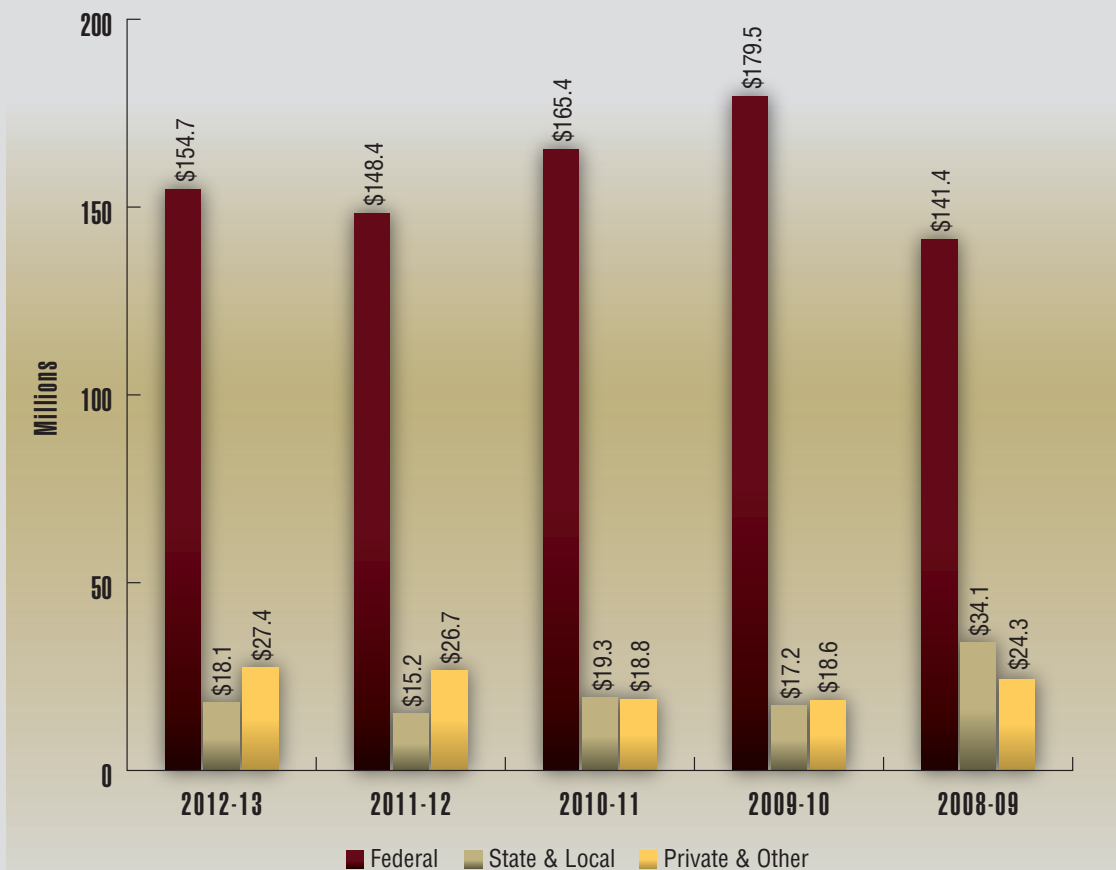
It is the official policy of the University to recruit the most talented faculty from leading centers of learning throughout the world. The University faculty has included six Nobel Laureates and twelve members of the National Academy of Sciences. Many of the University's faculty have received national and international recognition, and the University enjoys national ranking in a number of disciplines.

Academic Year	Full-Time Faculty	Part-Time Faculty	Tenured Faculty	Faculty with Terminal Degrees	Faculty/Student Ratio
2008-09	1,944	65	822	1,848	21:1
2009-10	1,835	59	825	1,742	22:1
2010-11	1,791	66	829	1,708	22:1
2011-12	1,779	65	812	1,696	26:1
2012-13	1,856	67	827	1,769	26:1

RESEARCH

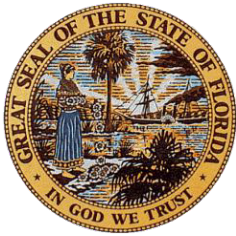
Since its designation as a university in 1947, the University has built a reputation as a strong center for research in the sciences, the humanities and the arts. In the 2012-13 fiscal year, the University faculty and administrators generated more than \$200 million in external funding to supplement state funds used for research. These external funds, derived through contracts and grants from various private foundations, industries and government agencies, are used to provide stipends for graduate students, to improve research facilities and to support the research itself.

Contracts & Grants Awards Received (in Millions)



LIBRARIES

The University's library system, which ranks among the nation's top research libraries, is made up of eight libraries on campus. The libraries' total collection includes more than 2.9 million volumes of books and periodicals. Also, access to 771 databases, 1,156,915 e-books and 72,825 e-journals allows students, faculty and staff to do research from their offices or homes.



DAVID W. MARTIN, CPA
AUDITOR GENERAL

AUDITOR GENERAL STATE OF FLORIDA

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FAX: 850-488-6975

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

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Florida State University, a component unit of the State of Florida, and its aggregate discretely presented component units as of and for the fiscal year ended June 30, 2013, 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, as described in note 1 to the financial statements, which represent 100 percent of the transactions and account balances of the aggregate discretely presented component units' columns. Those financial statements were audited by other auditors whose reports 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 the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of Florida State University and of its aggregate discretely presented component units as of June 30, 2013, 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** and **OTHER REQUIRED SUPPLEMENTARY INFORMATION**, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

Other Reporting Required by *Government Auditing Standards*

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

Respectfully submitted,



David W. Martin, CPA
Tallahassee, Florida
December 20, 2013
Audit Report No. 2014-075



Management's Discussion and Analysis

The management's discussion and analysis (MD&A) provides an overview of the financial position and activities of the University for the fiscal year ended June 30, 2013, and should be read in conjunction with the financial statements and notes thereto. This overview is required by Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities*, as amended by GASB Statements Nos. 37 and 38. The MD&A, and financial statements and notes thereto, are the responsibility of University management.

FINANCIAL HIGHLIGHTS

The University's assets totaled \$2.5 billion at June 30, 2013. This balance reflects a \$6.6 million, or 0.3 percent, increase as compared to the 2011-12 fiscal year resulting from a \$66 million, or 4 percent, increase in net capital assets due to the addition of several new buildings and infrastructure. Total investments decreased by \$71.4 million, or 10.8 percent, due in part to a \$62.6 million decrease in unrestricted investments resulting from reduction of State noncapital appropriations. Liabilities also increased by \$8.5 million, or 2.1 percent, totaling \$420.8 million at June 30, 2013, as compared to \$412.3 million at June 30, 2012. As a result, the University's net position decreased by \$2 million, resulting in a year end balance of \$2.1 billion.

The University's operating revenues totaled \$578.2 million for the 2012-13 fiscal year, representing a 8 percent increase over the 2011-12 fiscal year due mainly to an increase in tuition and fees, and grants and contracts. Operating expenses totaled \$958.4 million for the 2012-13 fiscal year, representing an increase of 2.4 percent over the 2011-12 fiscal year primarily due to a \$11 million, or 5.8 percent, increase in research related services and supplies.

Net nonoperating revenues totaled \$329 million, representing a decrease of \$70 million, or 17.6 percent, from the 2011-12 fiscal year. This decrease is primarily due to the reduction of state noncapital appropriations in the amount of \$65.2 million. In addition, other nonoperating expenses decreased by \$18.3 million mainly due to the removal of capital assets in the 2011-12 fiscal year as a result of an increase in the capitalization threshold of tangible personal property. Further, Other Revenues, Expenses, Gains, or Losses increased by \$10.7 million primarily due to an increase in Capital Grants, Contracts, Donations, and Fees.

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. Based upon the application of the criteria for determining component units, the Florida State University College of Medicine Self-Insurance Program is included within the University reporting entity as a blended component unit. In addition, nine direct-support organizations and the Florida State University Schools, Inc. are included within the University reporting entity as discretely presented component units. Information regarding these component units, including summaries of the discretely presented component units' separately issued financial statements, is presented in the notes to financial statements. This MD&A focuses on the University, excluding the component units. For those component units reporting under GASB standards, MD&A information is included in their separately issued audit reports.



Management's Discussion and Analysis

THE STATEMENT OF NET POSITION

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

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

Condensed Statement of Net Position at June 30 (in thousands)

	2013	2012
Assets		
Current Assets	\$ 653,439	\$ 704,840
Capital Assets, Net	1,800,748	1,734,902
Other Noncurrent Assets	51,101	58,987
Total Assets	2,505,288	2,498,729
Liabilities		
Current Liabilities	103,994	94,133
Noncurrent Liabilities	316,781	318,117
Total Liabilities	420,775	412,250
Net Position		
Net Investment		
in Capital Assets	1,577,837	1,508,120
Restricted	169,895	168,553
Unrestricted	336,781	409,806
Total Net Position	\$ 2,084,513	\$ 2,086,479

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

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

The following summarizes the University's activity for the 2012-13 and 2011-12 fiscal years:

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

	2012-13	2011-12
Operating Revenues	\$ 578,177	\$ 535,329
Less, Operating Expenses	(958,395)	(936,058)
Operating Loss	(380,218)	(400,729)
Net Nonoperating Revenues	328,978	399,058
Loss Before Other Revenues, Expenses, Gains or Losses	(51,240)	(1,671)
Other Revenues, Expenses, Gains, or Losses	49,274	38,589
Net Increase (Decrease) in Net Position	(1,966)	36,918
Net Position, Beginning of Year	2,086,479	2,049,561
Net Position, End of Year	\$ 2,084,513	\$ 2,086,479

OPERATING REVENUES

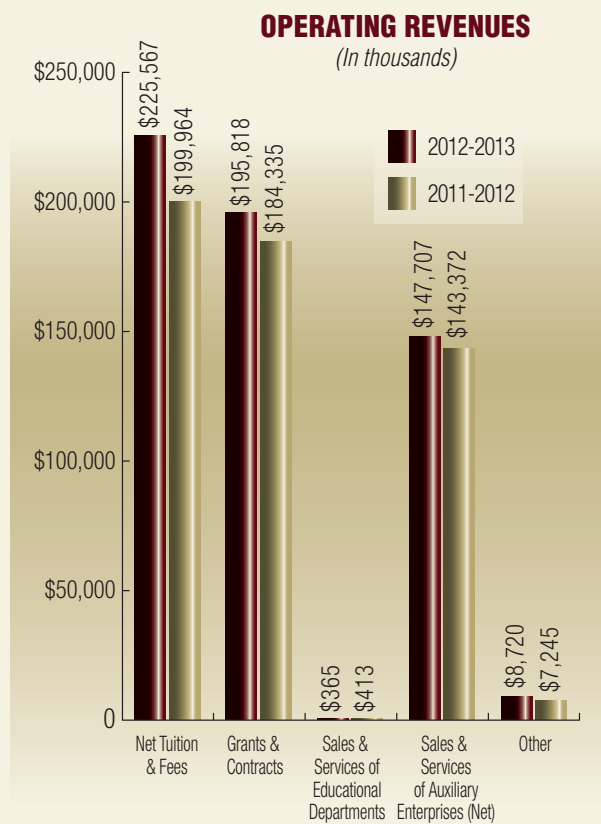
GASB Statement No. 35 categorizes revenues as either operating or nonoperating. Operating revenues generally result from exchange transactions where each of the parties to the transaction either give up or receive something of equal or similar value.

The following summarizes the operating revenues by source that were used to fund operating activities for the 2012-13 and 2011-12 fiscal years:

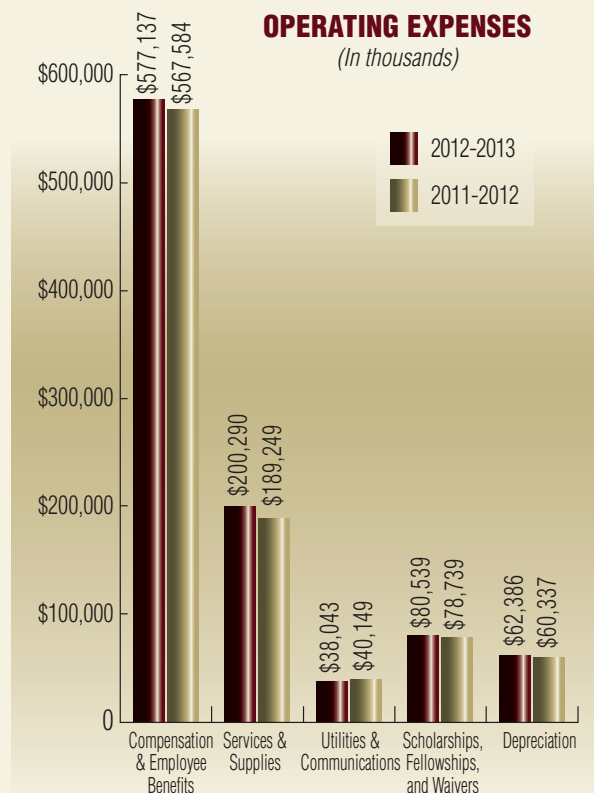
Operating Revenues (in thousands)

	2012-13	2011-12
Net Tuition and Fees	\$ 225,567	\$ 199,964
Grants and Contracts	195,818	184,335
Sales and Services		
of Educational Departments	365	413
Sales and Services		
of Auxiliary Enterprises (Net)	147,707	143,372
Other	8,720	7,245
Total Operating Revenues	\$ 578,177	\$ 535,329

The following chart presents the University's operating revenues for the 2012-13 and 2011-12 fiscal years:



The following chart presents the University's operating expenses for the 2012-13 and 2011-12 fiscal years:



OPERATING EXPENSES

Expenses are categorized as operating or nonoperating. The majority of the University's expenses are operating expenses as defined by GASB Statement No. 35. GASB gives financial reporting entities the choice of reporting operating expenses in the functional or natural classifications. The University has chosen to report the expenses in their natural classification on the statement of revenues, expenses, and changes in net position and has displayed the functional classification in the notes to financial statements.

The following summarizes the operating expenses by natural classifications for the 2012-13 and 2011-12 fiscal years:

Operating Expenses For the Fiscal Years (in thousands)			
	2012-13		2011-12
Compensation and Employee Benefits	\$	577,137	\$ 567,584
Services and Supplies		200,290	189,249
Utilities and Communications		38,043	40,149
Scholarships, Fellowships, and Waivers		80,539	78,739
Depreciation		62,386	60,337
Total Operating Expenses	\$	958,395	\$ 936,058

NONOPERATING REVENUES AND EXPENSES

Certain revenue sources that the University relies on to provide funding for operations, including State noncapital appropriations, certain gifts and grants, and investment income, are defined by GASB as nonoperating. Nonoperating expenses include capital financing costs and other costs related to capital assets. The following summarizes the University's nonoperating revenues and expenses for the 2012-13 and 2011-12 fiscal years:

Nonoperating Revenues (Expenses) (in thousands)			
	2012-13		2011-12
State Noncapital Appropriations	\$	220,355	\$ 285,598
Federal and State Student Financial Aid		94,841	96,727
Noncapital Grants, Contacts, and Gifts		42,154	37,503
Investment Income		11,725	15,727
Net Increase (Decrease) in the Fair Value of Investments		(11,794)	4,227
Other Nonoperating Revenues		582	294
Loss on Disposal of Capital Assets		(6,580)	-
Interest on Capital Asset-Related Debt		(7,547)	(8,007)
Other Nonoperating Expenses		(14,758)	(33,011)
Net Nonoperating Revenues	\$	328,978	\$ 399,058

Management's Discussion and Analysis

OTHER REVENUES, EXPENSES, GAINS, OR LOSSES

This category is composed of State capital appropriations and capital grants, contracts, donations, and fees. The following summarizes the University's other revenues, expenses, gains, or losses for the 2012-13 and 2011-12 fiscal years:

Other Revenues, Expenses, Gains, or Losses (in thousands)			
	2012-13		2011-12
State Capital Appropriations	\$	1,750	\$ 19,087
Capital Grants, Contracts, Donations, and Fees		47,524	19,502
Total	\$	49,274	\$ 38,589

THE STATEMENT OF CASH FLOWS

The statement of cash flows provides information about the University's financial results by reporting the major sources and uses of cash and cash equivalents. This statement will assist in evaluating the University's ability to generate net cash flows, its ability to meet its financial obligations as they come due, and its need for external financing. Cash flows from operating activities show the net cash used by the operating activities of the University. Cash flows from capital financing activities include all plant funds and related long-term debt activities. Cash flows from investing activities show the net source and use of cash related to purchasing or selling investments, and earning income on those investments. Cash flows from noncapital financing activities include those activities not covered in other sections.

The following summarizes cash flows for the 2012-13 and 2011-12 fiscal years:

Condensed Statement of Cash Flows (in thousands)			
	2012-13		2011-12
Cash Provided (Used) by:			
Operating Activities	\$	(312,068)	\$ (326,404)
Noncapital Financing Activities		359,666	414,098
Capital and Related Financing Activities		(110,229)	(125,473)
Investing Activities		71,517	39,300
Net Increase in Cash and Cash Equivalents		8,886	1,521
Cash and Cash Equivalents, Beginning of Year		14,842	13,321
Cash and Cash Equivalents, End of Year	\$	23,728	\$ 14,842

Major sources of funds came from State noncapital appropriations (\$220.4 million), Federal and State student financial aid (\$94.8 million), net student tuition and fees (\$225.6 million), grants and contracts (\$188 million), and sales and services of auxiliary enterprises (\$146.4 million). Major uses of funds were for payments made to and on behalf of employees (\$565.6 million); payments to suppliers (\$230.3 million); payments to and on behalf of students for scholarships (\$80.5 million); and purchase or construction of capital assets (\$111.8 million).

CAPITAL ASSETS

At June 30, 2013, the University had \$2.6 billion in capital assets, less accumulated depreciation of \$0.8 billion, for net capital assets of \$1.8 billion. Depreciation charges for the current fiscal year totaled \$62.4 million. The following table summarizes the University's capital assets, net of accumulated depreciation, at June 30:

Capital Assets, Net at June 30, 2013 (in thousands)			
	2013		2012
Land	\$	62,562	\$ 56,504
Construction in Progress		82,691	85,527
Buildings		1,392,212	1,340,428
Infrastructure and Other Improvements		71,562	74,423
Furniture and Equipment		85,228	70,483
Library Resources		31,355	32,122
Works of Art and Historical Treasures		74,038	74,032
Computer Software and Other Capital Assets		1,100	1,383
Capital Assets, Net	\$	1,800,748	\$ 1,734,902

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

CAPITAL EXPENSES AND COMMITMENTS

Major capital expenses through June 30, 2013, were incurred on the following projects: Johnston Building Annex totaling \$10.9 million, Fourier Transform Ion Cyclotron Resonance Magnet System totaling \$8.8 million, and the Asian Art Study Center totaling \$0.8 million. The University's major capital commitments at June 30, 2013, are as follows:

	Amount
Total Committed	\$ 138,949
Completed to Date	(82,691)
Balance Committed	\$ 56,258

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

DEBT ADMINISTRATION

As of June 30, 2013, the University had \$220 million in outstanding capital improvement debt payable and \$0.5 million in installment purchases payable, representing a decrease of \$15 million, or 6.3 percent, from the prior fiscal year. The following table summarizes the outstanding long-term debt by type for the fiscal years ended June 30:

Long-Term Debt, at June 30, 2013 (in thousands)			
	2013	2012	
Capital Improvement Debt	\$ 220,407	\$ 235,029	
Installment Purchases	519	712	
Total	\$ 220,926	\$ 235,741	

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

ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

The condition of the State of Florida's economy is the primary factor impacting the University's future. The University ended the 2012-13 fiscal year with a \$2 million decrease in total net position over the previous year. This was anticipated based on the Florida Legislature's \$65.8 million nonrecurring reduction to the University's 2012-13 general revenue appropriations. The \$65.8 million was restored to the University's 2013-14 general revenue appropriations.

The 2013 Florida Legislature passed the Career and Professional Education Act, which defined preeminence for State universities and set specific performance parameters for schools to earn this status. Florida State University was officially designated as one of two preeminent research universities in the State by the Florida Board of Governors. Starting in 2013-14 the University will receive an additional \$15 million a year over the next five years. In addition, the Legislature passed the first State-funded salary increases in many years and provided a permanent budget for the University's Veterans Center.

The State funding has not been enough to keep pace with the growth of the University. Therefore, the University must rely more heavily on other revenue streams to maintain its quality programs. For the 2012-13 fiscal year, gross tuition and fee revenues increased by \$26.5 million. This increase was possible due to a Florida Board of Governors approved 13 percent tuition increase for undergraduates, as part of the tuition differential fee. Based on State law, tuition for the 2013-14 academic year increased at the rate of inflation, which was certified by the Office of Economic and Demographic Research as 1.7 percent.

The University's undergraduate tuition levels remain relatively low and continue to attract top students. The ability to attract new research funding will benefit from the University's plan to increase the number of tenured faculty. In addition, the University's outstanding fundraising capability is another factor indicating a bright future for the University.

REQUESTS FOR INFORMATION

Questions concerning information provided in the MD&A or other required supplemental information, and financial statements and notes thereto, or requests for additional financial information should be addressed to the University Controller's Office, Florida State University, 2200A University Center, Tallahassee, Florida 32306.

Statement of Net Position

as of June 30, 2013 *(in thousands)*

	University	Component Units
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 22,259	\$ 38,949
Investments	556,821	125,993
Accounts Receivable, Net	40,696	33,388
Loans and Notes Receivable, Net	1,978	14,579
Due from State	10,452	—
Due from Component Units/University	12,338	10,585
Inventories	2,810	173
Other Current Assets	6,085	1,047
Total Current Assets	653,439	224,714
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	1,469	22,781
Restricted Investments	34,744	522,471
Loans and Notes Receivable, Net	11,555	217
Depreciable Capital Assets, Net	1,581,458	112,993
Nondepreciable Capital Assets	219,290	35,201
Other Noncurrent Assets	3,333	91,860
Total Noncurrent Assets	1,851,849	785,523
TOTAL ASSETS	\$ 2,505,288	\$ 1,010,237
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 23,337	\$ 11,212
Construction Contracts Payable	7,163	—
Salaries and Wages Payable	14,250	—
Deposits Payable	4,389	9
Due to State	738	—
Due to Component Units/University	14,226	7,844
Unearned Revenue	25,180	29,739
Other Current Liabilities	918	1,340
Long-Term Liabilities - Current Portion:		
Capital Improvement Debt Payable	9,999	—
Bonds Payable	—	3,325
Loans and Notes Payable	—	1,205
Installment Purchases Payable	118	—
Accrued Self-Insurance Claims	7	—
Compensated Absences Payable	3,669	—
Total Current Liabilities	103,994	54,674
Noncurrent Liabilities:		
Capital Improvement Debt Payable	210,408	—
Bonds Payable	—	82,921
Loans and Notes Payable	—	9,322
Installment Purchases Payable	401	—
Accrued Self-Insurance Claims	678	—
Compensated Absences Payable	53,787	838
Unearned Revenue	—	19,946
Other Noncurrent Liabilities	21,494	10,421
Other Postemployment Benefits Payable	30,013	—
Total Noncurrent Liabilities	316,781	123,448
TOTAL LIABILITIES	\$ 420,775	\$ 178,122
NET POSITION		
Net Investment in Capital Assets	\$ 1,577,837	\$ 47,911
Restricted for Nonexpendable, Endowment	—	440,362
Restricted for Expendable:		
Debt Service	3,845	—
Loans	3,513	—
Capital Projects	22,437	—
Other	140,100	79,049
Endowment	—	140,516
Unrestricted	336,781	124,277
TOTAL NET POSITION	2,084,513	832,115
TOTAL LIABILITIES AND NET POSITION	\$ 2,505,288	\$ 1,010,237

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

Statement of Revenues, Expenses, and Changes in Net Position for Fiscal Year Ended June 30, 2013 *(in thousands)*

	University	Component Units
OPERATING REVENUES		
Student Tuition and Fees, Net of Scholarship Allowances of \$124,202 (\$9,428 Pledged for Parking Facility Capital Improvement Debt and \$14,232 Pledged for Health and Wellness Center Capital Improvement Debt)	\$ 225,567	\$ —
Federal Grants and Contracts	160,700	—
State and Local Grants and Contracts	17,470	—
Nongovernmental Grants and Contracts	17,648	—
Sales and Services of Educational Departments	365	—
Sales and Services of Auxiliary Enterprises (\$2,354 Pledged for Parking Facility Capital Improvement Debt, \$38,752 Pledged for Housing Facility Capital Improvement Debt and \$1,613 Pledged for Dining Facility Capital Improvement Debt)	147,707	—
Sales and Services of Component Units	—	25,559
Royalties and Licensing Fees	—	13,332
Gifts and Donations	—	66,252
Interest on Loans and Notes Receivable	288	—
Other Operating Revenues	8,432	23,622
Total Operating Revenues	578,177	128,765
OPERATING EXPENSES		
Compensation and Employee Benefits	577,137	41,832
Services and Supplies	200,290	91,643
Utilities and Communications	38,043	587
Scholarships, Fellowships, and Waivers	80,539	—
Depreciation	62,386	5,457
Total Operating Expenses	958,395	139,519
OPERATING LOSS	(380,218)	(10,754)
NONOPERATING REVENUES (EXPENSES)		
State Noncapital Appropriations	220,355	—
Federal and State Student Financial Aid	94,841	—
Noncapital Grants, Contracts, and Gifts	42,154	—
Investment Income	11,725	12,881
Net Increase (Decrease) in the Fair Value of Investments	(11,794)	49,394
Investment Expense	—	(85)
Other Nonoperating Revenues	582	4,189
Loss on Disposal of Capital Assets	(6,580)	—
Interest on Capital Asset-Related Debt	(7,547)	(664)
Other Nonoperating Expenses	(14,758)	(18,821)
NET NONOPERATING REVENUES	328,978	46,894
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	(51,240)	36,140
State Capital Appropriations	1,750	—
Capital Grants, Contracts, Donations, and Fees	47,524	2,835
Additions to Permanent Endowments	—	20,088
Increase (Decrease) in Net Position	(1,966)	59,063
Net Position, Beginning of Year	2,086,479	773,052
NET POSITION, END OF YEAR	\$ 2,084,513	\$ 832,115

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

Statement of Cash Flows

for Fiscal Year Ended June 30, 2013 *(in thousands)*

	University
CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and Fees, Net	\$ 225,567
Grants and Contracts	187,995
Sales and Services of Educational Departments	365
Sales and Services of Auxiliary Enterprises	146,394
Interest on Loans and Notes Receivable	288
Other Operating Receipts	4,214
Payments to Employees	(565,637)
Payments to Suppliers for Goods and Services	(230,288)
Payments to Students for Scholarships and Fellowships	(80,539)
Payments on Self-Insurance Claims	(533)
Loans issued to Students	(3,258)
Collections on Loans to Students	3,364
Net Cash Used by Operating Activities	(312,068)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Noncapital Appropriations	220,355
Noncapital Grants, Contracts and Gifts	40,269
Federal and State Student Financial Aid	94,841
Federal Direct Loan Program Receipts	214,921
Federal Direct Loan Program Disbursements	(214,989)
Net Change in Funds Held for Others	4,063
Other Nonoperating Receipts	453
Other Nonoperating Disbursements	(247)
Net Cash Provided by Noncapital Financing Activities	359,666
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from Capital Debt	13,000
State Capital Appropriations	6,548
Capital Grants, Contracts, Donations, and Fees	16,688
Capital Subsidies and Transfers	2,700
Purchase or Construction of Capital Assets	(111,773)
Principal Paid on Capital Debt	(27,560)
Interest Paid on Capital Debt	(9,832)
Net Cash Used by Capital and Related Financing Activities	(110,229)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales and Maturities of Investments	1,676,840
Purchase of Investments	(1,617,895)
Investment Income	12,572
Net Cash Provided by Investing Activities	71,517
Net Increase in Cash and Cash Equivalents	8,886
Cash and Cash Equivalents, Beginning of Year	14,842
Cash and Cash Equivalents, End of Year	\$ 23,728
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Loss	\$ (380,218)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities	
Depreciation Expense	62,386
Change in Assets and Liabilities:	
Loans and Notes Receivable, Net	606
Other Receivables, Net	(9,092)
Inventories	(83)
Deferred Charges and Other Assets	1,128
Accounts Payable	6,500
Salaries and Wages Payable	2,739
Accrued Insurance Claims	(534)
Deposits Payable	(50)
Compensated Absences Payable	411
Postemployment Healthcare Benefits Payable	8,351
Unearned Revenue	(4,212)
NET CASH USED BY OPERATING ACTIVITIES	\$ (312,068)
SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING AND INVESTING ACTIVITIES	
Unrealized losses on investments were recognized on the statement of revenues, expenses and changes in net assets, but are not cash transactions for the statement of cash flows.	\$ (11,794)
Losses from the write off of capital assets were recognized on the statement of revenues, expenses and changes in net position, but are not cash transactions for the statement of cash flows.	\$ (6,580)

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

Notes to Financial Statements

1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

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

Criteria for defining the reporting entity are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. These criteria were used to evaluate potential component units for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the primary government's financial statements to be misleading. Based on the application of these criteria, the University is a component unit of the State of Florida, and its financial balances and activities are reported in the State's Comprehensive Annual Financial Report by discrete presentation.

BLENDED COMPONENT UNIT

The Florida State University College of Medicine Self-Insurance Program was created on July 1, 2006, by the Board of Governors, pursuant to Section 1004.24, Florida Statutes. Although it is legally separate from the University, the Self-Insurance Program is included within the University's reporting entity as a blended component unit based on the application of the criteria for determining component units. Specifically, the Self-Insurance Program is organized exclusively to provide general and professional liability insurance coverage for the educational, research and service programs of the Colleges of Medicine and Nursing, and the Student Health Center. Condensed financial statements for the University's blended component unit are shown in a subsequent note.

DISCRETELY PRESENTED COMPONENT UNITS

Direct-support organizations of the University are legally separate, not for profit, corporations organized and operated exclusively to receive, hold, invest, and administer property and to make expenditures to or for the benefit of the University, as provided for in Section 1004.28, Florida Statutes, and Board of Governors Regulation 9.011. Based on the application of the criteria for determining component units, the following organizations met all of the financial accountability criteria necessary for inclusion as discretely presented component units and therefore are included within the University reporting entity.

The Florida State University Schools, Inc., (not a direct support organization) is also included as a discretely presented component unit within the University reporting entity based on the nature and significance of its relationship with the University.

These organizations and their purposes are explained as follows:

- » **The Florida State University Foundation, Inc. (Foundation)** - The University's fund raising and private support programs are accounted for and reported separately by the Foundation. The Foundation revenues include unrestricted and restricted gifts and grants, rental income, and investment income. The Foundation expenses include scholarship distributions to students, departmental faculty and staff development support, various memorials and class projects, departmental research, and administrative costs of the Foundation's development program.
- » **Seminole Boosters, Inc. (Boosters)** - The primary purpose of the Boosters is to stimulate and promote the education, health, and physical welfare of University students by providing financial support from the private sector for the Intercollegiate Athletic Program. Funds raised by the Boosters are utilized for scholarships, recruiting expenses, and authorized travel and entertainment in accordance with the rules and regulations of the National Collegiate Athletic Association. The Boosters' financial information includes the activities of the Florida State University Financial Assistance, Inc., as a blended component unit.
 - The Financial Assistance organization was created for the purpose of securing bond financing in accordance with Section 1004.28, Florida Statutes. Seminole Boosters, Inc., maintains direct control of Financial Assistance and each year makes significant transfers to them to help service the bond debt.

- » **Florida State University International Programs Association, Inc. (International Programs Association)** - The purpose of the International Programs Association is to promote intercultural activities among students, educators, and others. It provides teaching, studying, research, and conference opportunities to U.S. students, scholars, and other professionals and community groups through Florida State University Study-Abroad Programs in England, Italy, Costa Rica, and other sites.
- » **Florida State University Alumni Association, Inc. (Alumni Association)** - The Alumni Association serves as a connecting link between alumni and the University. The nature and purpose of the Alumni Association is to aid, strengthen, and expand the University and its alumni. The Alumni Association utilizes private gifts, devises, other contributions, and advertising income to publish and exchange information with University alumni, to assist the University's development programs, and to provide public and community service.
- » **The Florida State University Research Foundation, Inc. (Research Foundation)** - The Research Foundation was established to promote and assist the research and training activities of the University through income from contracts, grants and other sources, including income derived from the development and commercialization of the University's work products.
- » **The John and Mable Ringling Museum of Art Foundation, Inc. (Museum Foundation)** - The Museum Foundation was established to provide charitable and educational aid to the University's John and Mable Ringling Museum of Art. An annual agreement is executed between the Museum and the Foundation to allow the Foundation to act as the direct-support organization for the Museum.
- » **Florida Medical Practice Plan, Inc. (FMPP)** - FMPP's purpose is to improve and support medical education in the Florida State University College of Medicine.
- » **Florida State University Magnet Research and Development, Inc. (Magnet Research and Development)** - The Magnet Research and Development organization was incorporated to promote, encourage, and assist the research and training activities of faculty, staff, and students of the University and specifically to design, develop, invent, assemble, construct, test, repair, maintain, and fabricate magnets or magnet systems of any type or design.
- » **The Florida State University Real Estate Foundation, Inc. (Real Estate Foundation)** - The Real Estate Foundation was established to receive, hold, manage, lease, develop or sell real estate and to make expenditures, grants, contributions to or for the benefit of the University.

Florida State University Schools, Inc. (School) - The School is a charter school established pursuant to Section 1002.33(5)(a), Florida Statutes. The School provides a setting where University faculty, School faculty, and graduate students can design, demonstrate, and analyze the effectiveness of new instructional materials, technological advances, and strategies under controlled conditions. It also offers an environment for the systematic research, evaluation, and development of commercial or prototype materials and techniques adaptable to other Florida public schools and supported by School and University researchers or private sector partners.

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

Condensed financial statements are not presented for the following direct support organizations that were not operational during the fiscal year or had activity that was determined to be immaterial to the University's financial statements.

- » The Florida State University Performing Arts Center Foundation, Inc., was approved by the Board of Trustees on September 15, 2006, to raise money for building maintenance and improvement for the Center in Sarasota, Florida.
- » Florida State University College of Business Investment Fund, Inc., was approved by the Board of Trustees on September 19, 2008, to support a student managed investment fund and other FSU College of Business programs.
- » The Florida State University Foundation for Innovation, Inc., was approved by the Board of Trustees on June 8, 2012, to assist student entrepreneurs.
- » The Florida State University Athletics Association, Inc., was approved by the Board of Trustees on December 14, 2012, to provide supplemental contracts for athletics staff.

BASIS OF PRESENTATION

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

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

BASIS OF ACCOUNTING

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

The University's blended and discretely presented component units use the economic resources measurement focus and accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred, and follow GASB standards of accounting and financial reporting except for the Foundation, which follows FASB standards of accounting and financial reporting for not-for-profit organizations.

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

Notes to Financial Statements

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

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

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and cash in demand accounts. University cash deposits are held in banks qualified as public depositories under Florida law. All such deposits are insured by Federal depository insurance, up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool required by Chapter 280, Florida Statutes. Cash and cash equivalents that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other restricted assets, are classified as restricted.

CAPITAL ASSETS

University capital assets consist of land; works of art and historical treasures; construction in progress; buildings; infrastructure and other improvements; furniture and equipment; library resources; and computer software and other capital assets. These assets are capitalized and recorded at cost at the date of acquisition or at estimated fair value at the date received in the case of gifts and purchases of State surplus property. Additions, improvements, and other outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The University has a capitalization threshold of \$5,000 for tangible personal property, \$50,000 for new buildings, and \$100,000 for building improvements. Depreciation is computed on the straight-line basis over the following estimated useful lives:

- ▶▶ Buildings – 10 to 50 years
- ▶▶ Infrastructure and Other Improvements – 12 to 50 years
- ▶▶ Furniture and Equipment – 3 to 20 years
- ▶▶ Library Resources - 10 years
- ▶▶ Computer Software and Other Capital Assets – 5 years

NONCURRENT LIABILITIES

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

OPERATING REVENUES AND EXPENSES

Operating revenues include activities that have characteristics of exchange transactions, such as student fees, net of scholarship allowances; sales and services of auxiliary enterprises; Federal, state, local and nongovernmental grants and contracts; and sales and services of educational departments. Operating expenses include all expense transactions incurred other than those related to investing, capital or noncapital financing activities.

NONOPERATING REVENUES AND EXPENSES

Nonoperating revenues include activities that have characteristics of nonexchange transactions, such as gifts and contributions, and other revenue sources that are defined as nonoperating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and 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, such as appropriations and investment income. Nonoperating expenses include interest paid on capital asset-related debt and losses on the disposal of capital assets.

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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.

EXTERNAL INVESTMENT POOLS

The University reported investments at fair value totaling \$587,828,356 at June 30, 2013, in the State Treasury Special Purpose Investment Account (SPIA) investment pool, representing ownership of a share of the pool, not the underlying securities. The SPIA carried a credit rating of A+f by Standard & Poor's and had an effective duration of 2.65 years at June 30, 2013. The University relies on policies developed by the State Treasury for managing interest rate risk or credit risk for this investment pool. Disclosures for the State Treasury investment pool are included in the notes to financial statements of the State's Comprehensive Annual Financial Report.

STATE BOARD OF ADMINISTRATION DEBT SERVICE ACCOUNTS

The University reported investments at fair value totaling \$3,736,987 at June 30, 2013, in the SBA Debt Service Accounts. These investments are used to make debt service payments on bonds issued by the State Board of Education for the benefit of the University. The University's investments consist of United States Treasury securities, with maturity dates of six months or less, and are reported at fair value. The University relies on policies developed by the SBA for managing interest rate risk or credit risk for these accounts. Disclosures for the Debt Service Accounts are included in the notes to the financial statements of the State's Comprehensive Annual Financial Report.

Notes to Financial Statements

COMPONENT UNITS INVESTMENTS

Investments held by the University's component units at June 30, 2013, are reported at fair value as follows::

Investment Type	The Florida State University Foundation, Inc.	Seminole Boosters, Inc.	Florida State University Alumni Association, Inc.	The Florida State University Research Foundation, Inc.	The John and Mable Ringling Museum of Art Foundation, Inc.	The Florida State University Real Estate Foundation, Inc.	Florida State University Schools, Inc.	Total
External Investment Pools:								
SBA - PRIME	\$ —	\$ —	\$ —	\$ 33,352,269	\$ —	\$ —	\$ —	\$ 33,352,269
SBA - Fund B	—	—	—	602,886	—	—	—	602,886
SBA - CAMPMM-Restricted	—	—	—	115,892	—	—	—	115,892
Certificates of Deposit	—	—	153,048	—	—	—	—	153,048
Money Market Funds	—	—	—	35,181,737	—	—	4,228,089	39,409,826
U.S. Government Obligations	—	—	—	—	2,611,943	—	—	2,611,943
Domestic Stocks	7,257	2,885,715	—	42,558,500	—	—	—	45,451,472
Real Estate Investments	423,559	9,418,844	—	—	—	900,001	—	10,742,404
Mutual Funds	346,495,094	24,288,959	—	—	650,589	—	—	371,434,642
Investment Agreements	144,590,328	—	—	—	—	—	—	144,590,328
Total	\$491,516,238	\$ 36,593,518	\$ 153,048	\$111,811,284	\$ 3,262,532	\$ 900,001	\$4,228,089	\$ 648,464,710

EXTERNAL INVESTMENT POOLS

State Board of Administration Florida PRIME - The Research Foundation reported investments at fair value totaling \$33,352,269 at June 30, 2013, in the Florida PRIME investment pool administered by the SBA pursuant to Section 218.405, Florida Statutes. These investments in the Florida PRIME investment pool, which the SBA indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, at June 30, 2013, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. The Florida PRIME investment pool carried a credit rating of AAAM by Standard & Poor's and had a weighted-average days to maturity (WAM) of 40 days as of June 30, 2013. A portfolio's WAM reflects the average maturity in days, based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the Florida PRIME investment pool to interest rate changes. The investments in the Florida PRIME investment pool are reported at fair value, which is amortized cost.

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

At June 30, 2013, the Research Foundation reported investments at fair value of \$602,886 in Fund B. The investments in Fund B are accounted for as a fluctuating net asset value pool, with a fair value factor of 1.11845939 at June 30, 2013. The weighted-average life (WAL) of Fund B at June 30, 2013, was 3.98 years. A portfolio's WAL is the dollar-weighted average length of time until securities held reach maturity and is based on legal final maturity dates for Fund B as of June 30, 2013. WAL measures the sensitivity of Fund B to interest rate changes. The component unit's investment in Fund B is unrated.

State Board of Administration Commingled Asset Management Program - The Research Foundation reported investments at fair value totaling \$115,892 at June 30, 2013, in the Commingled Asset Management Program (CAMP) administered by the SBA. All securities purchased are consistent with Section 215.47, Florida Statutes and may be loaned to qualified borrowers in accordance with Florida Statutes. These funds are invested in the CAMP Money Market Restricted pool (CAMPMM-Restricted).

The Research Foundation's written investment policy authorizes investment in highly diversified index funds that utilize futures, options, and other securities authorized under Section 215.47, Florida Statutes. The Research Foundation's investment policy for these diversified index funds does not specifically address interest rate risk or credit risk. The Research Foundation relies on policies developed by the SBA for managing interest rate risk and credit risk for this account. The SBA has taken the position that participants in the CAMPMM-Restricted pool are required to disclose information related to credit risk and interest rate risk. These investments pools were not ranked by a nationally recognized rating agency as of June 30, 2013. The CAMPMM-Restricted pool principally consists of segregated securities, which are securities originally purchased in the Commingled Asset Management Pool Money Market Fund (CAMPMM) that (1) defaulted in the payment of principal and interest; (2) were extended; (3) were restructured or otherwise subject to workout; or (4) experienced elevated market illiquidity. Participants in CAMPMM-Restricted pool receive periodic distributions to the extent that CAMPMM-Restricted pool receives proceeds deemed material by the SBA from (1) the natural maturities of securities, coupon interest collections, or collateral interest and principal paydowns; or (2) the sale of securities, collateral liquidation, or other restructure and workout activities undertaken. The weighted-average life (based on expected future cash flows) of CAMPMM-Restricted pool at June 30, 2013, is estimated to be 4.44 years. However, because CAMPMM-Restricted pool consists of restructured or defaulted securities, there is considerable uncertainty regarding the weighted-average life.

OTHER COMPONENT UNITS INVESTMENTS

For the component units, the majority of investments are those reported by the Foundation. Because the Foundation reports under the FASB reporting model, disclosure of the various investment risks is not required for the Foundation's investments. The following are required risk disclosures applicable to investments of the remaining component units, which report under the GASB reporting model.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Museum Foundation's investment policy limits the investment activity of the Fine Arts Endowment to U.S. Government securities with maturities not to exceed five years. The Museum Foundation's investment policy does not limit the investment maturities of the remaining 30 percent of its portfolio as a means of managing its exposure to fair value losses arising from increasing interest rates. The Research Foundation limits the weighted average maturity of its investment portfolio to less than eight years. The Boosters, the Real Estate Foundation, and the School do not have written investment policies addressing interest rate risk. Investments of these component units in debt securities, mutual funds, money market funds and certificates of deposit have their future maturities at June 30, 2013, as follows:

Investment Maturities					
Investment Type	Fair Value	Daily	(In Years)		
			Less Than 1	1-5	
The John and Mable Ringling Museum of Art Foundation, Inc.					
U.S. Government Obligations	\$ 2,611,943	\$ —	\$ 1,710,814	\$ 901,129	
Mutual Funds	650,589	—	650,589	—	
Total	\$ 3,262,532	\$ —	\$ 2,361,403	\$ 901,129	
The Florida State University Research Foundation, Inc.					
Money Market Funds	\$ 35,181,737	\$ —	\$ 35,181,737	\$ —	
Seminole Boosters, Inc.					
Mutual Funds	\$ 24,288,959	\$ 24,288,959	\$ —	\$ —	
Florida State University Alumni Association, Inc.					
Certificates of Deposit	\$ 153,048	\$ —	\$ 153,048	\$ —	
Florida State University Schools, Inc.					
Money Market Funds	\$ 4,228,089	\$ 4,228,089	\$ —	\$ —	

Notes to Financial Statements

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Obligations of the United States Government or obligations explicitly guaranteed by the United States Government are not considered to have credit risk and do not require disclosure of credit quality. At June 30, 2013, the Museum Foundation had \$650,589 of mutual funds rated A-1 by Standard & Poor's, the Boosters had \$24,288,959 of mutual funds rated as AAAm by Standard & Poor's, the Research Foundation had \$35,181,737 of money market funds rated as AAAm by Standard & Poor's, and the School had \$4,228,089 of money market funds rated as Aaa by Standard & Poor's.

Custodial Credit Risk: Custodial credit risk is the risk that in the event of the failure of the counterparty, the component unit 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 component unit and are not registered in the component unit's name. The Museum Foundation, the Boosters, the Alumni Association, the Research Foundation, and the School do not have written investment policies addressing custodial credit risk.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the component unit's investment in a single issuer. The component units manage their concentration of credit risk based on various investment policies, which may be obtained separately from the component units.

3 RECEIVABLES

Accounts Receivable - Accounts receivable represent amounts for student tuition and fees, grant and contract reimbursements due from third parties, various sales and services provided to students and third parties, and interest accrued on investments and loans receivable. As of June 30, 2013, the University reported the following amounts as accounts receivable:

Description	Amount
Student Tuition and Fees	\$ 6,337,088
Grants and Contracts	25,631,535
Sales and Services of Auxiliary Enterprises	8,333,293
Interest	308,309
Other	1,448,908
Total Accounts Receivable	\$ 42,059,133

Loans and Notes Receivable - Loans and notes receivable represent all amounts owed on promissory notes from debtors, including student loans made under the Federal Perkins Loan Program and other loan programs.

Allowance for Doubtful Receivables - Allowances for doubtful accounts are reported based on management's best estimate as of fiscal year-end considering type, age, collection history, and other factors considered appropriate. Accounts receivable, and loans and notes receivable, are reported net of allowances of \$1,362,969 and \$2,163,389, respectively, at June 30, 2013. No allowance has been accrued for grants and contracts receivable. University management considers these to be fully collectible.

4 DUE FROM STATE

This amount consists of \$10,452,069 of Public Education Capital Outlay allocations due to the University for construction of University facilities.

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DUE FROM AND TO COMPONENT UNITS/UNIVERSITY

The University's financial statements are reported for the fiscal year ended June 30, 2013. The University's component units' financial statements are reported as of the most recent fiscal year for which an audit report is available. One component unit has a fiscal year other than June 30. Accordingly, amounts reported by the University as due from and to component units on the statement of net position do not agree with amounts reported by the component units as due from and to the University.

6

INVENTORIES

Inventories have been categorized into the following two types:

- ▶▶ Departmental Inventories – Those inventories maintained by departments and not available for resale. Departmental inventories are comprised of such items as classroom and laboratory supplies, teaching materials, and office supply items, which are consumed in the teaching and work process. These inventories are normally expensed when purchased and therefore are not reported on the statement of net position.
- ▶▶ Merchandise Inventory – Those inventories maintained which are available for resale to individuals and other University departments, and are not expensed at the time of purchase. These inventories are reported on the statement of net position, and are valued at cost using either the moving average, actual cost, first-in, first-out or last invoice cost method.

7

CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2013, is shown below:

Description	Beginning Balance		Additions		Reductions		Ending Balance
Nondepreciable Capital Assets:							
Land	\$	56,503,805	\$	6,057,890	\$	—	\$ 62,561,695
Works of Art and Historical Treasures		74,032,020		334,832		328,749	74,038,103
Construction in Progress		85,527,462		81,280,555		84,117,494	82,690,523
Total Nondepreciable Capital Assets	\$	216,063,287	\$	87,673,277	\$	84,446,243	\$ 219,290,321
Depreciable Capital Assets:							
Buildings	\$	1,715,697,833	\$	91,138,641	\$	7,690,097	\$ 1,799,146,377
Infrastructure and Other Improvements		125,997,479		1,213,304		—	127,210,783
Furniture and Equipment		251,472,395		36,631,862		11,814,708	276,289,549
Library Resources		125,850,390		5,984,690		7,478,562	124,356,518
Computer Software & Other Capital Assets		29,867,397		1,284,162		1,351,162	29,800,397
Total Depreciable Capital Assets		2,248,885,494		136,252,659		28,334,529	2,356,803,624
Less, Accumulated Depreciation:							
Buildings		375,269,754		34,431,368		2,766,626	406,934,496
Infrastructure and Other Improvements		51,574,811		4,073,802		—	55,648,613
Furniture and Equipment		180,989,220		16,638,328		6,566,894	191,060,654
Library Resources		93,728,701		6,751,804		7,478,562	93,001,943
Computer Software & Other Capital Assets		28,484,314		491,069		275,403	28,699,980
Total Accumulated Depreciation		730,046,800		62,386,371		17,087,485	775,345,686
Total Depreciable Capital Assets, Net	\$	1,518,838,694	\$	73,866,288	\$	11,247,044	\$ 1,581,457,938

8 **UNEARNED REVENUE**

Unearned revenue includes Public Education Capital Outlay appropriations for which the University had not yet received approval from the Florida Department of Education, as of June 30, 2013, to spend the funds, and grants and contracts, auxiliary sales and services, and other revenues received prior to fiscal year end related to subsequent accounting periods. As of June 30, 2013, the University reported the following amounts as unearned revenue:

Description	Amount
Grants and Contracts	\$ 4,152,515
Sales and Services of Auxiliary Enterprises	14,816,831
State Capital Appropriations	6,154,914
Other	55,502
Total Unearned Revenue	\$ 25,179,762

9 **LONG-TERM LIABILITIES**

Long-term liabilities of the University at June 30, 2013, include capital improvement debt payable, installment purchases payable, accrued self-insurance claims payable, compensated absences payable, other noncurrent liabilities, and other postemployment benefits payable. Other noncurrent liabilities consist mainly of the liability for the Federal Capital Contribution (advance) provided to fund the University's Federal Perkins Loan Program. This amount will ultimately be returned to the Federal Government should the University cease making Federal Perkins Loans or if the University has excess cash in the loan program. Long-term liabilities activity for the fiscal year ended June 30, 2013, is shown below:

Description	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Capital Improvement Debt Payable	\$ 235,029,090	\$ 12,929,138	\$ 27,551,315	\$ 220,406,913	\$ 9,998,589
Installment Purchases Payable	711,706	-	192,753	518,953	118,388
Accrued Self-Insurance Claims	1,218,841	99,482	633,306	685,017	6,576
Compensated Absences Payable	57,058,268	3,692,191	3,294,764	57,455,695	3,669,089
Other Noncurrent Liabilities	16,533,502	5,071,688	111,005	21,494,185	-
Other Postemployment Benefits Payable	21,662,000	11,795,000	3,444,000	30,013,000	-
Total Long-Term Liabilities	\$ 332,213,407	\$ 33,587,499	\$ 35,227,143	\$ 330,573,763	\$ 13,792,642

CAPITAL IMPROVEMENT DEBT PAYABLE

The University had the following capital improvement debt payable outstanding at June 30, 2013:

Capital Improvement Debt Type and Series	Amount of Original Issue	Amount Outstanding (1)	Interest Rates (Percent)	Maturity Date To
Auxiliary Revenue Debt:				
1993 Housing	\$ 3,500,000	\$ 1,404,906	3.0	2022
2004A Housing	23,145,000	16,650,281	3.375 - 4.5	2034
2005A Housing	71,285,000	63,455,993	5.0	2035
2010A Housing	18,910,000	17,497,432	2.5 - 4.75	2040
2011A Housing	27,745,000	25,875,711	2.0 - 4.125	2031
Total Student Housing Debt	144,585,000	124,884,323		
2003A Parking	5,585,000	564,659	3.75	2014
2003B Parking	15,645,000	9,140,505	3.7 - 4.5	2023
2005A Parking	11,270,000	7,818,410	4.0 - 5.0	2025
2007A Parking	13,230,000	9,903,102	4.0 - 4.625	2026
2011A Parking	22,145,000	19,544,625	2.5 - 5.25	2031
Total Student Parking Debt	67,875,000	46,971,301		
2005A Dining	10,000,000	7,214,200	2.29	2025
2010A Wellness Center	31,320,000	28,800,225	4.0 - 5.0	2030
Total Auxiliary Debt	253,780,000	207,870,049		
2012 Research Foundation Revenue Debt	11,920,000	12,536,864	3.0 - 4.0	2031
Total Capital Improvement Debt \$	265,700,000	\$ 220,406,913		

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

The University has pledged a portion of future housing rental revenues, traffic and parking fees, food service revenues, and assessed student transportation and student health fees based on credit hours to repay \$253.8 million in capital improvement (housing, parking, etc.) revenue bonds issued by the Florida Board of Governors on behalf of the University. Proceeds from the bonds provided financing to construct student parking garages, student housing facilities, a health center, and other student service facilities. The bonds are payable solely from housing rental income, traffic and parking fees, food service revenues, and assessed student transportation and student health fees, and are payable through 2040. The University has committed to appropriate each year from the housing rental income, traffic and parking fees, food service revenues, and assessed student transportation and student health fees amounts sufficient to cover the principal and interest requirements on the debt. Total principal and interest remaining on the debt is \$307 million, and principal and interest paid for the current year totaled \$18.4 million.

During the 2012-13 fiscal year, housing rental income, traffic and parking fees, food service revenues, and assessed student transportation and student health fees were as follows:

Revenue Source	Amount
Housing Rental Income	\$ 38,751,697
Traffic, Parking and Transportation Fees	11,781,692
Food Service Revenues	1,612,597
Student Health Fees	14,231,852

Notes to Financial Statements

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

On January 4, 2013, the Florida Board of Governors issued \$11,920,000 of Florida State University Research Foundation Revenue Refunding Bonds, Series 2012. The University's portion of the refunding bonds (\$11,920,000) and its cash contribution (\$5,000,000) was used to defease \$18,000,000 of outstanding FSU Research Foundation Revenue Refunding Bonds, Series 2001. Securities were placed in an irrevocable trust with an escrow agent to provide for all future debt service payments on the defeased bonds. As a result of the refunding, the University reduced its capital improvement debt service requirement by \$11,053,435 over the next 19 years and obtained an economic gain of \$3,792,528.

Annual requirements to amortize all capital improvement debt outstanding as of June 30, 2013, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2014	\$ 9,980,000	\$ 9,302,748	\$ 19,282,748
2015	9,730,000	8,953,606	18,683,606
2016	10,100,000	8,606,503	18,706,503
2017	10,505,000	8,214,656	18,719,656
2018	10,890,000	7,818,273	18,708,273
2019-2023	60,715,000	32,103,338	92,818,338
2024-2028	52,945,000	19,356,579	72,301,579
2029-2033	38,955,000	8,402,700	47,357,700
2034-2038	13,010,000	1,789,456	14,799,456
2039-2040	2,150,000	154,375	2,304,375
Subtotal	218,980,000	104,702,234	323,682,234
Less: Unamortized Loss on Refundings	1,209,990		1,209,990
Less: Unamortized Deferred Charges	2,450,166		2,450,166
Plus: Unamortized Premiums and Discounts, Net	5,087,069		5,087,069
Total	\$ 220,406,913	\$ 104,702,234	\$ 325,109,147

INSTALLMENT PURCHASES PAYABLE

The University has entered into several installment purchase agreements for the purchase of equipment reported at \$1,506,420. The stated interest rates ranged from 2.43 percent to 3.78 percent. Future minimum payments remaining under installment purchase agreements and the present value of the minimum payments as of June 30, 2013, are as follows:

Fiscal Year Ending June 30	Amount
2014	\$ 134,412
2015	134,412
2016	134,412
2017	100,809
2018	51,062
Total Minimum Payments	555,107
Less, Amount Representing Interest	36,154
Present Value of Minimum Payments	\$ 518,953

COMPENSATED ABSENCES PAYABLE

Employees earn the right to be compensated during absences for annual leave (vacation) and sick leave earned pursuant to Board of Governors regulations, University regulations, and bargaining agreements. Leave earned is accrued to the credit of the employee and records are kept on each employee's unpaid (unused) leave balance. The University reports a liability for the accrued leave; however, State noncapital appropriations fund only the portion of accrued leave that is used or paid in the current fiscal year. Although the University expects the liability to be funded primarily from future appropriations, generally accepted accounting principles do not permit the recording of a receivable in anticipation of future appropriations. At June 30, 2013, the estimated liability for compensated absences, which includes the University's share of the Florida Retirement System and FICA contributions, totaled \$57,455,695. The current portion of the compensated absences liability, \$3,669,089, is the amount expected to be paid in the coming fiscal year, and represents a historical percentage of leave used applied to total accrued leave liability.

OTHER POSTEMPLOYMENT BENEFITS PAYABLE

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

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

Funding Policy. Plan benefits are pursuant to the provisions of Section 112.0801, Florida Statutes, and benefits and contributions can be amended by the Florida Legislature. The University has not advance funded or established a funding methodology for the annual other postemployment benefit (OPEB) costs or the net OPEB obligation, and the Plan is financed on a pay as you go basis. For the 2012-13 fiscal year, 1,125 retirees received postemployment healthcare benefits. The University provided required contributions of \$3,444,000 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 \$4,251,000, which represents 1.2 percent of covered payroll.

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

Description	Amount
Normal Cost (Service Cost for One Year)	\$ 6,556,000
Amortization of Unfunded Actuarial Accrued Liability	4,675,000
Interest on Normal Cost and Amortization	449,000
Annual Required Contribution	11,680,000
Interest on Net OPEB Obligation	866,000
Adjustment to Annual Required Contribution	(751,000)
Annual OPEB Cost (Expense)	11,795,000
Contribution Toward the OPEB Cost	(3,444,000)
Increase in Net OPEB Obligation	8,351,000
Net OPEB Obligation, Beginning of Year	21,662,000
Net OPEB Obligation, End of Year	\$ 30,013,000

Notes to Financial Statements

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, 2013, and for the two preceding fiscal years, were as follows:

Fiscal Year		Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed		Net OPEB Obligation
2010-11	\$	8,433,000	42%	\$	13,507,000
2011-12		11,692,000	30%		21,662,000
2012-13		11,795,000	29%		30,013,000

Funded Status and Funding Progress. As of July 1, 2011, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$137,982,000, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$137,982,000 and a funded ratio of 0 percent. The covered payroll (annual payroll of active participating employees) was \$368,648,639 for the 2012-13 fiscal year, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 37.4 percent.

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

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan provisions, as understood by the employer and participating members, and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and participating members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The University's OPEB actuarial valuation as of July 1, 2011, used the entry-age cost actuarial method to estimate the actuarial accrued liability as of June 30, 2013, and the University's 2012-13 fiscal year ARC. This method was selected because it is the same method used for the valuation of the Florida Retirement System. Because the OPEB liability is currently unfunded, the actuarial assumptions included a 4 percent rate of return on invested assets. The actuarial assumptions also included a payroll growth rate of 4 percent per year and an inflation rate of 3 percent. Initial healthcare cost trend rates were 8.29 percent, 9.16 percent, and 8.13 percent for the first three years, respectively, for all retirees in the Preferred Provider Option (PPO) Plan, and 10.43 percent, 4.92 percent, and 8.80 percent for the first three years for all retirees in the Health Maintenance Organization (HMO) Plan. The PPO and HMO healthcare trend rates are both 6.5 percent in the fourth year grading identically to 5 percent over 70 years. The unfunded actuarial accrued liability is being amortized over 30 years using the level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2013, was 24 years.

10 RETIREMENT PROGRAMS

Florida Retirement System. Essentially all regular employees of the University are eligible to enroll as members of the State administered Florida Retirement System (FRS). Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost sharing, multiple-employer retirement plans and other non-integrated programs. These include a defined-benefit pension plan (Plan), a Deferred Retirement Option Program (DROP), and a defined contribution plan, referred to as the Florida Retirement System Investment Plan (Investment Plan).

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Members of both Plans may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost of living adjustments.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. University employees already participating in the State University System Optional Retirement Program or DROP are not eligible to participate in this program. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded by employer and employee contributions that are based on salary and membership class (Regular Class, Senior Management Service Class, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Employees in the Investment Plan vest at one year of service.

The State of Florida establishes contribution rates for participating employers and employees. Contribution rates during the 2012-13 fiscal year were as follows:

Class or Plan	Percent of Gross Salary	
	Employee	Employer (A)
Florida Retirement System, Regular	3.00	5.18
Florida Retirement System, Senior Management Service	3.00	6.30
Florida Retirement System, Special Risk	3.00	14.90
Teachers' Retirement System, Plan E	6.25	11.35
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes or Plan	0.00	5.44
Florida Retirement System, Reemployed Retiree	(B)	(B)

Notes:

(A) Employer rates include 1.11 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include .03 percent for administrative costs of the Investment Plan.

(B) Contribution rates are dependent upon retirement class in which reemployed.

Notes to Financial Statements

The University's liability for participation is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the University. The University's contributions including employee contributions for the fiscal years ended June 30, 2011, June 30, 2012, and June 30, 2013, totaled \$17,334,687, \$11,319,743, and \$12,084,114, respectively, which were equal to the required contributions for each fiscal year.

There were 639 University participants in the Investment Plan during the 2012-13 fiscal year. The University's contributions including employee contributions to the Investment Plan totaled \$2,300,579, which was equal to the required contribution for the 2012-13 fiscal year.

Financial statements and other supplementary information of the FRS are included in the State's Comprehensive Annual Financial Report, which is available from the Florida Department of Financial Services. An annual report on the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services, Division of Retirement.

State University System Optional Retirement Program. Section 121.35, Florida Statutes, provides for an Optional Retirement Program (Program) for eligible university instructors and administrators. The Program is designed to aid State universities in recruiting employees by offering more portability to employees not expected to remain in FRS for eight or more years.

The Program is a defined-contribution plan, which provides full and immediate vesting of all contributions submitted to the participating companies on behalf of the participant. Employees in eligible positions can make an irrevocable election to participate in the Program, rather than FRS, and purchase retirement and death benefits through contracts provided by certain insurance carriers. The employing university contributes, on behalf of the participant, 5.64 percent of the participant's salary, less a small amount used to cover administrative costs and employees contribute 3 percent of the employee's salary. Additionally, the employee may contribute, by payroll deduction, an amount not to exceed the percentage contributed by the University to the participant's annuity account. The contributions are invested in the company or companies selected by the participant to create a fund for the purchase of annuities at retirement.

There were 2,214 University participants during the 2012-13 fiscal year. The University's contributions to the Program totaled \$10,654,833 and employee contributions totaled \$10,035,529 for the 2012-13 fiscal year.

11 CONSTRUCTION COMMITMENTS

The University's construction commitments at June 30, 2013, are as follows:

Project Description	Total Commitment	Completed to Date	Committed Balance
Johnston Building Annex	\$ 20,276,349	\$ 10,853,932	\$ 9,422,417
Fourier Transform Ion Cyclotron Resonance Magnet System	13,285,000	8,828,500	4,456,500
Asian Art Study Center	7,985,000	780,297	7,204,703
Other (1)	97,402,397	62,227,794	35,174,603
Total	\$ 138,948,746	\$ 82,690,523	\$ 56,258,223

Note: (1) All other projects with committed balances less than \$5 million.

12 RISK MANAGEMENT PROGRAMS

The University is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Pursuant to Section 1001.72(2), Florida Statutes, the University participates in State self-insurance programs providing insurance for property and casualty, workers' compensation, general liability, fleet automotive liability, Federal Civil Rights, and employment discrimination liability. During the 2012-13 fiscal year, for property losses, the State retained the first \$2 million per occurrence for all perils except named windstorm and flood. The State retained the first \$2 million per occurrence with an annual aggregate retention of \$40 million for named windstorm and flood losses. After the annual aggregate retention, losses in excess of \$2 million per occurrence were commercially insured up to \$50 million for named windstorm and flood losses. For perils other than named windstorm and flood, losses in excess of \$2 million per occurrence were commercially insured up to \$200 million; and losses exceeding those amounts were retained by the State. No excess insurance coverage is provided for workers' compensation, general and automotive liability, Federal Civil Rights and employment action coverage; all losses in these categories are completely self-insured by the State through the State Risk Management Trust Fund established pursuant to Chapter 284, Florida Statutes. Payments on tort claims are limited to \$200,000 per person, and \$300,000 per occurrence as set by Section 768.28(5), Florida Statutes. Calculation of premiums considers the cash needs of the program and the amount of risk exposure for each participant. Settlements have not exceeded insurance coverage during the past three fiscal years.

Pursuant to Section 110.123, Florida Statutes, University employees may obtain healthcare services through participation in the State group health insurance plan or through membership in a health maintenance organization plan under contract with the State. The State's risk financing activities associated with State group health insurance, such as risk of loss related to medical and prescription drug claims, are administered through the State Employees Group Health Insurance Trust Fund. It is the practice of the State not to purchase commercial coverage for the risk of loss covered by this Fund. Additional information on the State's group health insurance plan, including the actuarial report, is available from the Florida Department of Management Services, Division of State Group Insurance.

UNIVERSITY SELF-INSURANCE PROGRAM

The Florida State University College of Medicine Self-Insurance Program was established pursuant to Section 1004.24, Florida Statutes on July 1, 2006. The Self-Insurance Program provides professional and general liability protection for the Florida State University Board of Trustees for claims and actions arising from the clinical activities of the College of Medicine faculty, staff and resident physicians. This includes the faculty and staff of the College of Nursing, effective July 1, 2009, and the faculty and staff of the Student Health Center, effective July 1, 2010. Liability protection is afforded to the students of each college. The Self-Insurance Program provides legislative claims bill protection.

The University is protected for losses that are subject to Section 768.28, Florida Statutes, to the extent of the waiver of sovereign immunity as described in Section 768.28(5), Florida Statutes. The Self-Insurance Program also provides \$1,000,000 per legislative claims bills inclusive of payments made pursuant to Section 768.28, Florida Statutes; \$250,000 per occurrence of protection for the participants that are not subject to the provisions of Section 768.28, Florida Statutes; \$250,000 per claim protection for participants who engage in approved community service and act as Good Samaritans; and student protections of \$100,000 for a claim arising from an occurrence for any one person, \$250,000 for all claims arising from an occurrence and professional liability required by a hospital or other healthcare facility for educational purposes not to exceed a per occurrence limit of \$1,000,000.

The Self-Insurance Program's estimated liability for unpaid claims at fiscal year end is the result of management and actuarial analysis and includes an amount for claims that have been incurred but not reported. Changes in the balances of claims liability for the Self-Insurance Program during the 2012-13 fiscal year are presented in the following table:

Fiscal Year	Claims Liabilities Beginning of Year	Current Claims Changes in Estimates	Claims Payments	Claims Liabilities End of Year
2011-12	\$ 1,058,811	\$ 161,000	\$ (970)	\$ 1,218,841
2012-13	1,218,841	(508,879)	(24,945)	685,017

13 FUNCTIONAL DISTRIBUTION OF OPERATING EXPENSES

The functional classification of an operating expense (instruction, research, etc.) is assigned to a department based on the nature of the activity, which represents the material portion of the activity attributable to the department. For example, activities of academic departments for which the primary departmental function is instruction may include some activities other than direct instruction such as research and public service. However, when the primary mission of the department consists of instructional program elements, all expenses of the department are reported under the instruction classification. The operating expenses on the statement of revenues, expenses, and changes in net position are presented by natural classifications. The following are those same expenses presented in functional classifications as recommended by NACUBO:

Functional Classification	Amount
Instruction	\$ 293,160,130
Research	148,731,509
Public Service	30,720,224
Academic Support	56,069,321
Student Services	40,527,368
Institutional Support	52,532,608
Operation and Maintenance of Plant	55,809,213
Scholarships and Fellowships	80,539,035
Depreciation	62,386,370
Auxiliary Enterprises	137,297,493
Loan Operations	622,058
Total Operating Expenses	\$ 958,395,329

14 SEGMENT INFORMATION

A segment is defined as an identifiable activity (or grouping of activities) that has one or more bonds or other debt instruments outstanding with a revenue stream pledged in support of that debt. In addition, the activity's related revenues, expenses, gains, losses, assets, and liabilities are required to be accounted for separately. The following financial information for the University's Housing and Parking facilities represents identifiable activities for which one or more bonds are outstanding:

Condensed Statement of Net Position

	Parking Facility Capital Improvement Debt	Housing Facility Capital Improvement Debt
Assets		
Current Assets	\$ 5,512,645	\$ 19,377,915
Capital Assets, Net	74,836,679	192,347,507
Other Noncurrent Assets	1,294,565	40,150,501
Total Assets	81,643,889	251,875,923
Liabilities		
Current Liabilities	3,896,854	10,899,906
Noncurrent Liabilities	44,059,462	122,365,176
Total Liabilities	47,956,316	133,265,082
Net Position		
Net Investment in Capital Assets	27,865,377	66,936,253
Restricted - Expendable	3,429,540	38,682,899
Unrestricted	2,392,658	12,991,689
Total Net Position	\$ 33,687,575	\$ 118,610,841



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

	Parking Facility Capital Improvement Debt	Housing Facility Capital Improvement Debt
Operating Revenues	\$ 11,781,692	\$ 38,751,697
Depreciation Expense	(1,876,553)	(4,686,056)
Operating Expenses	(5,124,613)	(15,963,165)
Operating Income	4,780,526	18,102,476
Net Nonoperating Expenses	(3,743,366)	(5,446,702)
Income Before Other Revenues, Expenses, Gains, or Losses	1,037,160	12,655,774
Other Revenues, Expenses, Gains, or Losses	397,921	(964,015)
Increase in Net Position	1,435,081	11,691,759
Net Position, Beginning of Year	32,252,494	106,919,082
Net Position, End of Year	\$ 33,687,575	\$ 118,610,841

Condensed Statement of Cash Flows

	Parking Facility Capital Improvement Debt	Housing Facility Capital Improvement Debt
Net Cash Provided (Used) by:		
Operating Activities	\$ 6,843,338	\$ 23,207,368
Noncapital Financing Activities	397,921	(721,781)
Capital and Related Financing Activities	(7,893,018)	(13,208,333)
Investing Activities	808,437	(9,219,531)
Net Increase in Cash and Cash Equivalents	156,678	57,723
Cash and Cash Equivalents, Beginning of Year	20,163	13,029
Cash and Cash Equivalents, End of Year	\$ 176,841	\$ 70,752

15 BLENDED COMPONENT UNIT

The University has one blended component unit as discussed in note 1. The following financial information is presented for the University's blended component unit:

Condensed Statement of Net Position

	Florida State University College of Medicine Self-Insurance Program	University	Total Primary Government
Assets			
Other Current Assets	\$ 6,587,822	\$ 646,850,954	\$ 653,438,776
Capital Assets, Net	—	1,800,748,263	1,800,748,263
Other Noncurrent Assets	—	51,101,059	51,101,059
Total Assets	6,587,822	2,498,700,276	2,505,288,098
Liabilities			
Other Current Liabilities	686,246	103,307,937	103,994,183
Noncurrent Liabilities	—	316,781,120	316,781,120
Total Liabilities	686,246	420,089,057	420,775,303
Net Position			
Net Investment in Capital Assets	—	1,577,837,164	1,577,837,164
Restricted - Expendable	—	169,894,551	169,894,551
Unrestricted	5,901,576	330,879,504	336,781,080
Total Net Position	\$ 5,901,576	\$ 2,078,611,219	\$ 2,084,512,795

Condensed Statement of Revenues, Expenses and Changes in Net Position

	Florida State University College of Medicine Self-Insurance Program	University	Total Primary Government
Operating Revenues	\$ 652,478	\$ 577,524,703	\$ 578,177,181
Depreciation Expense	—	(62,386,370)	(62,386,370)
Other Operating Expenses	(355,936)	(895,653,023)	(896,008,959)
Operating Income (Loss)	296,542	(380,514,690)	(380,218,148)
Nonoperating Revenues (Expenses)			
Nonoperating Revenue	—	351,283,205	351,283,205
Interest Expense	—	(7,546,855)	(7,546,855)
Other Nonoperating Expense	—	(14,757,940)	(14,757,940)
Net Nonoperating Revenues	—	328,978,410	328,978,410
Other Revenues, Expenses, Gains, and Losses	508,879	48,764,257	49,273,136
Increase (Decrease) in Net Position	805,421	(2,772,023)	(1,966,602)
Net Position, Beginning of Year	5,096,155	2,081,383,242	2,086,479,397
Net Position, End of Year	\$ 5,901,576	\$ 2,078,611,219	\$ 2,084,512,795

Condensed Statement of Cash Flows

	Florida State University College of Medicine Self-Insurance Program		University		Total Primary Government
Net Cash Provided (Used) by:					
Operating Activities	\$	333,980	\$	(312,402,311)	\$ (312,068,331)
Noncapital Financing Activities		—		359,666,231	359,666,231
Capital and Related Financing Activities		—		(110,228,819)	(110,228,819)
Investing Activities		4,129,459		67,387,427	71,516,886
Net Increase in Cash and Cash Equivalents		4,463,439		4,422,528	8,885,967
Cash and Cash Equivalents, Beginning of Year		2,124,329		12,717,194	14,841,523
Cash and Cash Equivalents, End of Year	\$	6,587,768	\$	17,139,722	\$ 23,727,490



16

DISCRETELY PRESENTED COMPONENT UNITS

The University has fourteen component units as discussed in note 1, ten of which had material activity during the 2012-13 fiscal year. These component units comprise 100 percent of the transactions and account balances of the aggregate discretely presented component units' columns of the financial statements. The following financial information is from the most recently available audited financial statements for the component units (Florida State University College of Business Investment Fund, Inc., The Florida State University Performing Arts Center Foundation, Inc., The Florida State University Foundation for Innovation, Inc., and The Florida State University Athletics Association, Inc., are not presented as they were not operational or had activity that was determined to be immaterial to the University's financial statements):

Direct-Support Organizations

	The Florida State University Foundation, Inc. 6/30/2013	Seminole Boosters, Inc. 6/30/2013	Florida State University International Programs Association, Inc. 9/30/2012	Florida State University Alumni Association, Inc. 6/30/2013	The Florida State University Research Foundation, Inc. 6/30/2013
Condensed Statement of Net Position					
Assets:					
Current Assets	\$ 27,405,786	\$ 49,693,118	\$ 10,585,390	\$ 1,012,919	\$ 112,722,728
Capital Assets, Net	148,591	102,714,579	18,946,631	49,681	1,917,384
Other Noncurrent Assets	523,377,709	107,836,022	2,946	3,558	3,339,425
Total Assets	550,932,086	260,243,719	29,534,967	1,066,158	117,979,537
Liabilities:					
Current Liabilities	4,295,452	24,347,086	2,231,475	160,268	19,612,708
Noncurrent Liabilities	7,115,260	91,113,599	9,332,909	18,927	285,161
Total Liabilities	11,410,712	115,460,685	11,564,384	179,195	19,897,869
Net Position:					
Net Investment in Capital Assets	148,591	30,818,150	8,540,041	72,384	974,151
Restricted	545,679,120	110,659,532	—	—	—
Unrestricted	(6,306,337)	3,305,352	9,430,542	814,579	97,107,517
Total Net Position	\$ 539,521,374	\$ 144,783,034	\$ 17,970,583	\$ 886,963	\$ 98,081,668
Condensed Statement of Revenues, Expenses, and Changes in Net Position					
Operating Revenues	\$ 42,255,783	\$ 27,378,239	\$ 14,424,741	\$ 1,725,977	\$ 14,336,462
Operating Expenses	58,899,313	30,113,760	11,969,857	2,097,866	20,060,213
Operating Income (Loss)	(16,643,530)	(2,735,521)	2,454,884	(371,889)	(5,723,751)
Net Nonoperating Revenues (Expenses)	51,973,942	1,329,872	54,686	560,121	3,111,272
Other Revenues, Expenses, Gains, and Losses	18,582,037	4,124,231	—	—	—
Increase (Decrease) in Net Position	53,912,449	2,718,582	2,509,570	188,232	(2,612,479)
Net Position, Beginning of Year	485,608,925	142,064,452	15,461,013	698,731	100,694,147
Net Position, End of Year	\$ 539,521,374	\$ 144,783,034	\$ 17,970,583	\$ 886,963	\$ 98,081,668

				Other	Total
The John and Mable Ringling Museum of Art Foundation, Inc. 6/30/2013	Florida Medical Practice Plan, Inc. 6/30/2013	Florida State University Magnet Research and Development, Inc. 6/30/2013	The Florida State University Real Estate Foundation, Inc. 6/30/2013	Florida State University Schools, Inc. 6/30/2013	
\$ 2,654,825	\$ 3,993,964	\$ 2,249,364	\$ 8,162	\$ 14,387,592	\$ 224,713,848
154,264	—	—	917,833	23,345,686	148,194,649
1,769,110	—	—	900,001	100,202	637,328,973
4,578,199	3,993,964	2,249,364	1,825,996	37,833,480	1,010,237,470
72,621	1,650,610	1,116,320	11,114	1,176,318	54,673,972
—	—	—	—	15,581,853	123,447,709
72,621	1,650,610	1,116,320	11,114	16,758,171	178,121,681
154,264	—	—	—	7,203,309	47,910,890
2,406,916	—	—	1,181,764	—	659,927,332
1,944,398	2,343,354	1,133,044	633,118	13,872,000	124,277,567
\$ 4,505,578	\$ 2,343,354	\$ 1,133,044	\$ 1,814,882	\$ 21,075,309	\$ 832,115,789
\$ 1,505,185	\$ 11,816,514	\$ 1,138,168	\$ 1,258,111	\$ 12,926,375	\$ 128,765,555
1,673,720	1,679,190	803,182	69,311	12,152,662	139,519,074
(168,535)	10,137,324	334,986	1,188,800	773,713	(10,753,519)
66,003	(9,714,074)	62	—	(487,578)	46,894,306
—	—	—	—	216,912	22,923,180
(102,532)	423,250	335,048	1,188,800	503,047	59,063,967
4,608,110	1,920,104	797,996	626,082	20,572,262	773,051,822
\$ 4,505,578	\$ 2,343,354	\$ 1,133,044	\$ 1,814,882	\$ 21,075,309	\$ 832,115,789

17 CURRENT UNRESTRICTED FUNDS

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

Statement of Current Unrestricted Funds Net Position

Assets

Current Assets:	
Cash and Cash Equivalents	\$ 8,132,881
Investments	400,180,376
Receivables, Net	7,308,613
Due from Component Units	10,998,701
Due from Other University Funds	39,079,627
Inventories	2,810,461
Other Current Assets	5,742,665

Total Current Assets	474,253,324
----------------------	-------------

Other Noncurrent Assets	3,333,369
-------------------------	-----------

Total Assets	477,586,693
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Liabilities

Current Liabilities:

Accounts Payable	13,866,485
Construction Contracts Payable	1,050,198
Salaries and Wages Payable	10,701,110
Due to Component Units	1,079,417
Due to Other University Funds	7,073,220
Unearned Revenue	14,816,831
Compensated Absences Payable	3,649,699

Total Current Liabilities	52,236,960
----------------------------------	-------------------

Noncurrent Liabilities:

Compensated Absences Payable	53,509,356
Other Noncurrent Liabilities	5,046,297
Other Postemployment Benefits Payable	30,013,000

Total Noncurrent Liabilities	88,568,653
-------------------------------------	-------------------

Total Liabilities	140,805,613
--------------------------	--------------------

Total Net Position	\$ 336,781,080
---------------------------	-----------------------

Statement of Current Unrestricted Funds Revenues, Expenses, and Changes in Net Position

Revenues

Operating Revenues:	
Student Tuition and Fees (1)	\$ 314,723,378
Sales and Services of Auxiliary Enterprises	147,707,259
Sales and Services of Educational Departments	364,982
State and Local Grants and Contracts	535,708
Other Operating Revenues	7,116,352

Total Operating Revenues	470,447,679
---------------------------------	--------------------

Expenses

Operating Expenses:	
Compensation and Employee Benefits	477,452,626
Services and Supplies	132,799,191
Utilities	35,555,886
Scholarships and Fellowships	69,991,504

Total Operating Expenses	715,799,207
---------------------------------	--------------------

Operating Loss	(245,351,528)
-----------------------	----------------------

Nonoperating Revenues (Expenses)

State Noncapital Appropriations	220,355,427
Noncapital Grants, Contracts, and Gifts	22,496,649
Investment Income	9,068,442
Net Decrease in Fair Value of Investments	(8,833,271)
Other Nonoperating Revenues	452,785
Other Nonoperating Expenses	(6,383,563)

Net Nonoperating Revenues	237,156,469
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Loss Before Other Revenues, Expenses, Gains, or Losses

Capital Grants, Contracts, and Donations	4,096,940
Transfers to/from Other Funds	(68,927,123)

Decrease in Net Position	(73,025,242)
---------------------------------	---------------------

Net Position, Beginning of Year	409,806,322
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Net Position, End of Year	\$ 336,781,080
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Note: (1) Student tuition and fees revenues are reported net of scholarship allowances on the statement of revenues, expenses, and changes in net position; however, scholarship allowances are not reflected in student tuition and fees revenues for the purposes of this disclosure.

18 SUBSEQUENT EVENTS

On August 22, 2013, the University received a \$44,852,331 distribution from the sale of Florida State University Dormitory Revenue Bonds, Series 2013A with a par value of \$42,495,000. The proceeds from this debt will be used to finance a portion of the cost of constructing a dormitory on the main campus of the University. The Revenue Bonds are secured by a pledge of the University's Housing Systems Revenues.

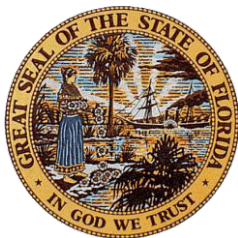
Other Required Supplementary Information

SCHEDULE OF FUNDING PROGRESS— OTHER POST EMPLOYMENT BENEFITS PLAN

The July 1, 2011 unfunded actuarial accrued liability of \$137,982,000 was significantly higher than the July 1, 2009 liability of \$107,457,000 primarily as a result of changes in the methodology used by the actuary to calculate this liability. The most significant of these modifications were due to changes in the long-term trend model, an increase in the coverage election assumption, and the passage of the Patient Protection and Affordable Care Act.

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL)-(B)(1)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll [(B-A)/C]
7/1/2007	\$ —	\$ 67,043,000	\$ 67,043,000	0%	\$ 355,230,858	18.9%
7/1/2009	—	107,457,000	107,457,000	0%	344,724,148	31.2%
7/1/2011	—	137,982,000	137,982,000	0%	355,518,953	38.8%

Note: (1) The actuarial cost method used by the institution is the entry-age actuarial cost method.



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AUDITOR GENERAL

AUDITOR GENERAL STATE OF FLORIDA

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

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Report on the Financial Statements

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Florida State University, a component unit of the State of Florida, and its aggregate discretely presented component units as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated December 20, 2013, included under the heading **INDEPENDENT AUDITOR'S REPORT**. Our report includes a reference to other auditors who audited the financial statements of the aggregate discretely presented component units, as described in our report on the University's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) to determine audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the University's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in

internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to University management in our operational audit report No. 2014-037.

Purpose of this Report

The purpose of the **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*** is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



David W. Martin, CPA
Tallahassee, Florida
December 20, 2013
Audit Report No. 2014-075

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*Twenty-Two Years of Service
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with Pride, Enthusiasm and Professionalism*

FLORIDA STATE UNIVERSITY

A N N U A L R E P O R T 2 0 1 2 - 2 0 1 3



This publication is available in alternative format upon request.



**FLORIDA STATE UNIVERSITY
HOUSING FACILITY REVENUE BONDS**

**ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED**



THE FLORIDA STATE UNIVERSITY
OFFICE OF THE CONTROLLER

Management's Report

November 15, 2013

Management has prepared the accompanying statement of net position of the Florida State University Housing System as of June 30, 2013 and the related statements of revenues, expenses and changes in net positions and cash flows for the year then ended, in accordance with generally accepted accounting principles. These statements have NOT been audited; however the financial information is included in the University statements, which is audited by the State of Florida Auditor General's Office.

Sincerely,

Michael Williams
University Controller

Management's Discussion and Analysis

Payments and Collections

University housing rental rates are set for each academic year. Residence hall fees are assessed equally for fall and spring semesters. A prepayment is required at the time an application is submitted to the University for housing accommodations. Upon assignment of a room, the unpaid balance is due in advance for the fall semester and by the fifth day of classes for the spring semester. Payment options in lieu of full payment include a prepaid college program deferment plan, an installment plan of four monthly payments and a financial aid deferment plan. Unpaid rent is placed on the University's accounts receivable system for collection and the student is precluded from registering for a subsequent term and from receiving a transcript or diploma until their account is paid.

Housing System Collection Rates

The collection rates for all on-campus housing fees have averaged approximately 99.16 percent of the fees assessed for the 2012-13 fiscal year.

Rental Statistics

Rental rates for residence halls at the University are reviewed on an annual basis. The Director of University Housing meets with a housing advisory committee early in the spring semester to make a recommendation for any rental rate increase that might become effective during the subsequent fall semester. If an increase is recommended, student government leaders, resident assistants, and all resident students are informed through meetings and written communications. These individuals do not have the opportunity to vote on the rental rate proposal. In compliance with the standard practice established within the State University System concerning housing rental rates, the University Department of Housing submits the recommendation prior to April 1 of each year to the University President's Office for approval. The proposal is subsequently forwarded to the Board of Governors for approval.

Housing System Occupancy Statistics Fall Semester – First Day of Classes¹						
Year	Total Housing Capacity	Total Occupancy	Occupancy as % of Capacity	Total Housing Applications Received	Total Full-Time Students	% of Full-Time Students Living on Campus
2009-10	6,108	6,112 ²	100%	8,752	33,983	18%
2010-11	6,108	6,155 ²	101%	8,812	34,371	18%
2011-12	6,108	6,165 ²	100.9%	9,126	35,238	17.5%
2012-13	6,399	6,436 ²	100.6%	9,117	35,014	18.4%
2013-14	6,575	6,584 ²	100.1%	9,291	35,137	18.7%
¹ These statistics reflect occupancy as of the official opening day of the undergraduate residence halls comprising the Housing System.						
² Temporary rooms set up in study lounges until on-campus apartments became available.						
³ Total housing capacity increased for Fall 2012 as the result of the opening of Traditions Hall.						
⁴ Total housing capacity increased for Fall 2013 as the result of converting Rogers Hall from a monthly rental facility to a semester residence hall.						

Schedule of Historical On-Campus Rental Rates Per Student Per Semester					
Description	2009-10	2010-11	2011-12	2012-13	2013-14
Traditional Residence Halls¹					
Double	\$2,050	\$2,150	\$2,250	\$2,360	\$2,475
Single	2,400	2,525	2,650	2,785	2,925
Small Double ²	1,950	2,050	2,150	N/A	N/A
Salley Hall Upgraded Suites					
Double	2,320	2,440	2,560	2,690	2,825
Single	2,635	2,770	2,920	3,070	3,225
Newly Constructed and Renovated Halls³					
Double	2,510	2,640	2,775	2,910	3,055
Single	2,830	2,975	3,130	3,290	3,455
McCollum Hall					
Double (Townhouse)	2,165	2,275	2,390	2,515	2,690
Single	2,800	2,940	3,100	3,255	3,415
Ragans Hall					
Single (Apt.)	2,820	2,965	3,120	3,280	3,445
Traditions Hall⁴					
Single (Apt.)	N/A	N/A	N/A	3,500	3,675
¹ Deviney, Dorman, Kellum and Smith Halls. ² Applies to Smith Hall Only. ³ Broward, Bryan, Cawthon, Gilchrist, Jeannie Murphree, Reynolds, Landis Halls, DeGraff and Wildwood Halls. ⁴ Traditions Hall opened in Fall 2012.					

Financial Highlights

University Housing's assets totaled \$251.9 million at June 30, 2013. This balance reflects a \$4.4 million, or 1.8 percent, increase as compared to the 2011-12 fiscal year primarily due to an increase in restricted investments held at year-end. Liabilities decreased by \$7.3 million, or 5.2 percent, primarily due to the reduction in the outstanding principal amount of bonds payable. As a result, University Housing's net position increased by \$11.7 million, resulting in a year-end balance of \$118.6 million.

University Housing's operating revenue totaled \$38.8 million for the 2012-13 fiscal year, representing a 9.8 percent increase over the 2011-12 fiscal year primarily due to increases in rental rates of approximately 5 percent. Operating expenses totaled \$20.6 million for the 2012-13 fiscal year representing a decrease of 0.5 percent as compared to the 2011-12 fiscal year.

University Housing's net nonoperating expenses totaled \$5.4 million, representing an increase of \$0.9 million. The increase is primarily due to the increase in interest expense in the amount of \$0.6 million.

**FLORIDA STATE UNIVERSITY
HOUSING FACILITY REVENUE BONDS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2013
UNAUDITED**

ASSETS

Current assets:

Cash and cash equivalents	\$ 56,894
Investments	14,004,485
Accounts receivable, net	103,421
Interest and dividends receivable	5,519
Due from other University funds	5,207,596
Total current assets	<u>\$ 19,377,915</u>

Noncurrent assets:

Restricted:

Cash and cash equivalents	\$ 13,858
Investments	38,814,853
Interest and dividends receivable	12,475
Deferred finance charges	1,309,315
Capital assets, net of accumulated depreciation	192,347,507
Total noncurrent assets	<u>232,498,008</u>

Total Assets	<u>\$ 251,875,923</u>
--------------	-----------------------

LIABILITIES

Current liabilities:

Accounts payable	\$ 168,543
Accrued salaries & wages payable	201,828
Accrued interest payable	918,396
Construction contracts payable	163,758
Unearned revenue	5,091,989
Bonds payable, current portion	4,355,392
Total current liabilities	<u>\$ 10,899,906</u>

Noncurrent liabilities:

Bonds payable, long-term portion	\$ 121,838,245
Compensated absences payable	526,931
Total noncurrent liabilities	<u>122,365,176</u>

Total Liabilities	<u>\$ 133,265,082</u>
-------------------	-----------------------

NET POSITION

Net Investment in Capital Assets	\$ 66,936,253
Restricted for project construction	5,729,901
Restricted for debt service	1,421,983
Restricted for renewal and replacement	31,531,015
Unrestricted	12,991,689
Total Net Position	<u>\$ 118,610,841</u>

**FLORIDA STATE UNIVERSITY
HOUSING FACILITY REVENUE BONDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2013
UNAUDITED**

OPERATING REVENUES

Rental Income	\$ 38,751,697
Total operating revenues	<u>38,751,697</u>

OPERATING EXPENSES

Salaries & Employee Benefits	8,819,899
Services and Supplies	3,143,447
Utilities	3,884,909
Depreciation	4,686,056
Other Operating Expense	114,910
Total operating expenses	<u>20,649,221</u>

Net operating income	18,102,476
----------------------	------------

NONOPERATING REVENUES (EXPENSES)

Investment income	771,456
Unrealized Losses	(839,811)
Interest expense	(5,628,458)
Other Nonoperating Revenues	7,876
Other Nonoperating Expenses	242,235
Total net nonoperating expenses	<u>(5,446,702)</u>

Net income before transfers	12,655,774
-----------------------------	------------

TRANSFERS	<u>(964,015)</u>
------------------	------------------

CHANGE IN NET POSITION	11,691,759
-------------------------------	------------

NET POSITION, BEGINNING OF YEAR	<u>106,919,082</u>
--	--------------------

NET POSITION, END OF YEAR	<u><u>\$ 118,610,841</u></u>
----------------------------------	------------------------------

**FLORIDA STATE UNIVERSITY
HOUSING FACILITY REVENUE BONDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013
UNAUDITED**

CASH FLOWS FROM OPERATING ACTIVITIES

Rental receipts	\$ 39,027,638
Payments for salaries and related benefits	(8,744,868)
Payments for expenses	<u>(7,075,402)</u>
Net cash provided by operating activities	<u>23,207,368</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Transfers from / (to) other funds	(964,015)
Other Nonoperating expenses	<u>242,234</u>
Net cash used by noncapital financing activities	<u>(721,781)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of fixed assets	(3,416,258)
Debt service payments:	
Principal	(4,140,000)
Interest	(5,722,467)
Administrative & Finance Charges	<u>70,392</u>
Net cash used by capital and related financing activities	<u>(13,208,333)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Sales of investments	(9,199,626)
Interest on investments	<u>(19,905)</u>
Net cash used by investing activities	<u>(9,219,531)</u>
Net increase in cash and cash equivalents	57,723
Cash and cash equivalents, beginning of year	<u>13,029</u>
Cash and cash equivalents, end of year	<u>\$ 70,752</u>

**Reconciliation of operating income (loss) to net cash provided
(used) by operating activities:**

Operating income	\$ 18,102,476
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	4,686,056
Change in assets and liabilities:	
Accounts receivable	(27,355)
Due from other funds	2,103,149
Due to other funds	(17,095)
Accounts payable	84,959
Accrued liabilities	50,227
Prepaid items	356,391
Compensated absences	24,804
Deferred revenue	<u>(2,156,244)</u>
Net cash provided by operating activities	<u>\$ 23,207,368</u>

**FLORIDA STATE UNIVERSITY
HOUSING FACILITY REVENUE BONDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013
UNAUDITED**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Florida State University Housing Facility Revenue Bond Series are an integral part of the financial statements of The Florida State University. The Florida State University (the University) is a part of the State University System and accordingly, the University is governed, regulated and coordinated by the Florida Board of Governors and the University's Board of Trustees.

The Housing System's financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The significant accounting policies of the Housing System are described below:

Basis of Presentation: The Housing System is classified as a business type activity and accounts for its operations through the use of an enterprise fund. Enterprise funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration.

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

Deferred Financing Charges and Bond Discount: In connection with the issuance of the Housing System's bond, certain related costs are deferred and amortized over the life of the related issue using the straight-line method. The use of the straight-line method does not materially differ from the effective interest method.

Capital Assets: Capital assets are stated at cost less accumulated depreciation. Depreciation on the garages is computed using the straight-line method over an estimated 50-year useful life. Depreciation on furniture and equipment is computed using the straight-line method over the estimated useful lives ranging from 3 to 20 years. When assets are retired or otherwise disposed of, the costs and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in the results from operations in the period of disposal. Net interest costs are capitalized during the construction period.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Investment Income: Interest on investments is recorded as income when earned.

Rental Income: University housing rentals are set for each academic year. Revenue is recognized when earned.

Compensated Absences Liability: Employees earn the right to be compensated during absences for annual leave (vacation) and sick leave earned pursuant to Board of Governors regulations, University regulations, and bargaining agreements. Leave earned is accrued to the credit of the employee and records are kept on each employee's unpaid (unused) leave balance. At June 30, 2013, the Housing System's estimated liability for compensated absences was \$526,931.

NOTE 2 – CASH AND CASH EQUIVALENTS

Amounts reported as cash and cash equivalents consist of cash on hand and cash in demand accounts. 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 or to purchase or construct capital or other restricted assets are classified as restricted.

NOTE 3 – INVESTMENTS

The University reported investments in the State Treasury Special Purpose Investment Account (SPIA) investment pool, representing ownership of a share of the pool, not the underlying securities. The State Treasury has taken the position that participants in the pool should disclose information related to interest rate risk and credit risk. The SPIA carried a credit rating of A+f by Standard and Poors and had an effective duration of 2.65 years at June 30, 2013. 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.

Investment earnings for the year ended June 30, 2013, were \$771,456.

The University reported investments in the State Board of Administration 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 more than three months. The University relies on policies developed by the State Board of Administration for managing interest rate risk or 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.

NOTE 4 – NET RECEIVABLES

Accounts receivable are reported net of an allowance for uncollectible accounts. An estimated allowance of \$5,033 was applied to gross accounts receivable of \$108,454.

NOTE 5 – CAPITAL ASSETS

Capital Asset activity for the year ended June 30, 2013, was as follows:

	6/30/2012	Additions	Reductions	6/30/2013
Buildings & Improvements	\$ 243,567,136	\$ 1,727,690	\$ -	\$ 245,294,826
Equipment (Including Vehicles)	273,941	16,843	-	290,784
Construction in Progress	955,003	2,393,452	(1,727,690)	1,620,765
Total Capital Assets	<u>244,796,080</u>	<u>4,137,985</u>	<u>(1,727,690)</u>	<u>247,206,375</u>
Less Accumulated Depreciation	<u>(50,172,813)</u>	<u>(4,686,055)</u>	<u>-</u>	<u>(54,858,868)</u>
Capital Assets, Net	<u>\$ 194,623,267</u>	<u>\$ (548,070)</u>	<u>\$ (1,727,690)</u>	<u>\$ 192,347,507</u>

NOTE 6 – LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2013 was as follows:

	June 30, 2012	Additions	Reductions	June 30 2013
Revenue Certificates and bonds payable:				
\$3,500,000 revenue bonds of 1993 dated	\$ 1,550,000	\$ -	\$ 140,000	\$ 1,410,000
 \$23,145,000 revenue bonds, series 2004A dated 03/01/2004; interest payable 5/01 and 11/01 at rates ranging from 2.0% to 4.25%; principal payments due 5/01; matures 2034	 17,975,000	 -	 730,000	 17,245,000
\$71,285,000 revenue bonds, series 2005A dated 07/01/2005; interest payable 5/01 and 11/01 at rates ranging from 3.5% to 5.0%; principal payments due 5/01; matures 2035	62,830,000	-	1,760,000	61,070,000
\$18,910,000 revenue bonds, series 2010A dated 7/13/2010; interest payable 5/01 and 11/01 at rates ranging from 2.5% to 4.75%; principal payments due 5/01; matures 2040	18,255,000	-	385,000	17,870,000
\$27,745,000 revenue bonds, series 2011A dated 10/19/2011; interest payable 5/01 and 11/01 at rates ranging from 2% to 4.125%; principal payments due 5/01; matures 2031	27,745,000	-	1,125,000	26,620,000
Total revenue bonds payable	\$ 128,355,000	\$ -	\$ 4,140,000	\$ 124,215,000
Unamortized bond (discount)/premium	3,201,662		(142,656)	3,059,006
Loss on Refunding	(1,152,633)		72,264	(1,080,369)
Revenue bonds payable, net	\$ 130,404,029	\$ -	\$ 4,069,608	\$ 126,193,637
Other liabilities:				
Compensated absences	\$ 502,127	\$ 24,804	\$ -	\$ 526,931

NOTE 6 – LONG-TERM DEBT (Continued)

Five year maturities of these revenue bonds are as follows:

Fiscal Year(s)	Principal	Interest	Total
2014	\$ 4,285,000	\$ 5,510,375	\$ 9,795,375
2015	4,425,000	5,355,819	9,780,819
2016	4,595,000	5,193,456	9,788,456
2017	4,780,000	5,009,169	9,789,169
2018	4,955,000	4,817,006	9,772,006
2019-2023	27,870,000	20,798,706	48,668,706
2024-2028	29,290,000	14,491,619	43,781,619
2029-2033	28,855,000	7,627,875	36,482,875
2034-2038	13,010,000	1,789,456	14,799,456
2039-2040	2,150,000	154,375	2,304,375
SubTotal	\$ 124,215,000	\$ 70,747,856	\$ 194,962,856
-Disc +Prem (Unamort)	3,059,006	-	3,059,006
Less Loss on Refunding	(1,080,369)	-	(1,080,369)
Total	\$ 126,193,637	\$ 70,747,856	\$ 196,941,493

The bond resolutions provide for the establishment of Sinking Funds to be held and administered by the State Board of Administration (SBA) for the purpose of paying the principal and interest on the bonds as they become due. The bond resolutions provide for the establishment of a Reserve Account, which is to be used for the payments of debt service when the amounts in the Sinking Fund are insufficient.

Additionally, the bond resolutions provide for the establishment of Building Maintenance and Equipment Reserve Funds. Amounts deposited in the Building Maintenance and Equipment Reserve Fund shall be as approved in the annual budget of the University. 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 Trustees.

The moneys in said Building Maintenance and Equipment Reserve Fund may be drawn on and used by the Board of Trustees 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 the Housing System.

Interest expense on the Bonds for the fiscal year ended June 30, 2013, was \$5,628,458.

NOTE 7 – SUBSEQUENT EVENT

On August 22, 2013, the University received a \$44,852,331 distribution from the sale of Florida State University Dormitory Revenue Bonds, Series 2013A with a par value of \$42,495,000. The proceeds from this debt will be used to finance a portion of the cost of constructing a dormitory on the main campus of the University. The Revenue Bonds are secured by a pledge of the University's Housing Systems Revenues.

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Disclosure Agreement”) is executed and delivered by the Board of Governors of the State of Florida (the “Board”), Florida State University (the “University”), and the Division of Bond Finance of the State Board of Administration of Florida (the “Division”) in connection with the issuance of \$46,085,000 State of Florida, Board of Governors, Florida State University Dormitory Revenue Refunding Bonds, Series 2014A (the “Bonds”). This Disclosure Agreement is being executed and delivered pursuant to Section 5.03 of the resolutions adopted by the Governor and Cabinet, as the Governing Board of the Division, on April 23, 2013, and March 6, 2014, authorizing the issuance of the Bonds. The Board, the University and the Division covenant and agree as follows:

SECTION 1. PURPOSE OF THE DISCLOSURE AGREEMENT. This Disclosure Agreement is being executed and delivered by the Board the University and the Division for the benefit of the Registered Owners and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with Rule 15c2-12 (the “Rule”) of the Securities and Exchange Commission (the “SEC”). It shall inure solely to the benefit of the Board, the University, the Division, the Registered Owners, the Beneficial Owners and the Participating Underwriters.

SECTION 2. DEFINITIONS. In addition to the definitions set forth in the Resolution of the Division of Bond Finance adopted on November 17, 1992, as amended and restated on July 25, 2000, as amended and supplemented from time to time (the “Resolution”) which apply to any capitalized term used in this Disclosure Agreement, the following capitalized terms shall have the following meanings:

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

SECTION 3. CONTINUING DISCLOSURE. (A) Information To Be Provided. The Board and the University assume all responsibilities for any continuing disclosure as described below. In order to comply with the Rule, the Board and the University hereby agrees to provide or cause to be provided the information set forth below, or such information as may be required, from time to time, to be provided by the Rule or the Division. The Division will be responsible for the filing of the information required by the Rule.

(1) Financial Information and Operating Data. For fiscal years ending on June 30, 2014, and thereafter, annual financial information and operating data shall be provided within nine months after the end of the University’s fiscal year. Such information shall include:

- (a) Housing System Occupancy Statistics;
- (b) Housing System Rental Rates;
- (c) Housing System Collection Rate;
- (d) Housing System Financial Statements;
- (e) Comparison of Budget to Actual for Fiscal Year;
- (f) Debt Service Coverage;
- (g) University Financial Statements; and
- (h) Litigation.

(2) Audited Financial Statements. If not submitted as part of the annual financial information, a copy of the University’s audited financial statements, prepared in accordance with generally accepted accounting principles, will be provided when and if available.

(3) Material Events Notices. Notice of the following events relating to the Bonds will be provided in a timely manner not in excess of ten business days after the occurrence of the event:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults; if material;
- (c) unscheduled draws on debt-service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (g) modifications to rights of security holders, if material;
- (h) bond calls, if material, and tender offers;
- (i) defeasances;
- (j) release, substitution or sale of property securing repayment of the securities, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the obligated person;
- (m) the consummation of merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(4) Failure to Provide Annual Financial Information; Remedies.

(a) Notice of the failure of the Board to provide the information required by paragraphs (A) (1) or (A)(2) of this Section will be provided in a timely manner.

(b) The Board acknowledges that its undertaking pursuant to the Rule set forth in this Section is for the benefit of the Beneficial Owners and Registered Owners of the Bonds and shall be enforceable only by such Beneficial Owners and Registered Owners; provided that the right to enforce the provisions of such undertaking shall be conditioned upon the same enforcement restrictions as are applicable to the information undertakings in the Resolution and shall be limited to a right to obtain specific enforcement of the Board's obligations hereunder.

(B) Methods of Providing Information.

(1) (a) Annual financial information and operating data described in paragraph 3(A)(1) and the audited financial statements described in paragraph 3(A)(2) shall be transmitted to the Municipal Securities Rulemaking Board (hereafter "MSRB") using the MSRB's Electronic Municipal Market Access System ("EMMA") or by such other method as may be subsequently determined by the MSRB.

(b) Material event notices described in paragraph 3(A)(3) and notices described in paragraph 3(A)(4) shall also be transmitted to the MSRB using EMMA or by such other method as may be subsequently determined by the MSRB.

(2) (a) Information shall be provided to the MSRB in an electronic format as prescribed by the MSRB, either directly, or indirectly through an indenture trustee or a designated agent.

(b) All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(C) If this Disclosure Agreement is amended to change the operating data or financial information to be disclosed, the annual financial information containing amended operating data or financial information will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

(D) The Board's and the University obligations hereunder shall continue until such time as the Bonds are no longer Outstanding or until the Board and the University shall otherwise no longer remain obligated on the Bonds.

(E) This Disclosure Agreement may be amended or modified so long as:

(1) any such amendments are not violative of any rule or regulation of the SEC or MSRB, or other federal or state regulatory body;

(2) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person, or type of business conducted;

(3) this Disclosure Agreement, as amended, would have complied with the requirements of Rule 15c2-12 of the SEC at the time of the primary offering, after taking into account any amendments or interpretations of the rule, as well as any change in circumstances; and

(4) the amendment does not materially impair the interests of Beneficial Owners or Registered Owners, as determined either by parties unaffiliated with the issuer or obligated person (such as bond counsel), or by approving vote of the Beneficial Owners and Registered Owners pursuant to the terms of the Resolution at the time of the amendment.

SECTION 4. ADDITIONAL INFORMATION. If, when submitting any information required by this Disclosure Agreement, the Board or the University chooses to include additional information not specifically required by this Disclosure Agreement, the Board nor the University shall have any obligation to update such information or include it in any such future submission.

Dated this ____ day of _____, 2014.

Florida Board of Governors

Division of Bond Finance

By _____
Chair

By _____
Assistant Secretary

Florida State University

By _____
President

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[FORM OF BOND COUNSEL OPINION]
June 24, 2014

Board of Governors
Tallahassee, Florida

Division of Bond Finance of the
State Board of Administration of Florida
Tallahassee, Florida

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the Board of Governors (the "Board"), the Division of Bond Finance of the State Board of Administration of Florida (the "Division of Bond Finance"), the State Board of Administration of the State of Florida, applicable provisions of the Constitution and laws of the State of Florida, and other proofs submitted to us relative to the issuance and sale of:

\$46,085,000
STATE OF FLORIDA
BOARD OF GOVERNORS
FLORIDA STATE UNIVERSITY
DORMITORY REVENUE REFUNDING BONDS, SERIES 2014A
Dated June 24, 2014
(the "2014A Bonds")

The 2014A Bonds are being issued by the Division of Bond Finance in the name of and on behalf of the Board for the purpose of refunding a portion of the outstanding State of Florida, Florida Education System, Florida State University Housing Facility Revenue Bonds, Series 2004A and 2005A and paying certain costs associated with the issuance of the 2014A Bonds, under the authority of and in full compliance with the Constitution and statutes of the State of Florida, including particularly Sections 215.57-215.83, Florida Statutes, Section 1010.62, Florida Statutes and other applicable provisions of law. The principal of, premium, if any, and interest on the 2014A Bonds will be secured by and payable solely from a pledge of the Pledged Revenues (as defined in the hereinafter defined Resolution) on a parity with the Outstanding Parity Bonds (as defined in the hereinafter defined Resolution), and any Additional Parity Bonds hereafter issued (as defined in the hereinafter defined Resolution).

The 2014A Bonds do not constitute a general obligation of the State of Florida or any political subdivision thereof within the meaning of any constitutional, statutory or other limitation of indebtedness and the owners thereof shall never have the right to compel the exercise of any ad valorem taxing power or taxation in any form for the payment of the principal of or interest on the 2014A Bonds.

Based on our examination, we are of the opinion, as of the date hereof, as follows:

1. That such proceedings and proofs show lawful authority for issuance and sale of the 2014A Bonds pursuant to the Constitution and statutes of the State of Florida and pursuant to resolutions authorizing the issuance and sale of the 2014A Bonds duly adopted by the Governing Board of the Division of Bond Finance on November 17, 1992, as amended and restated on July 25, 2000, as further amended on October 28, 2003, on September 20, 2011 and as supplemented by resolutions adopted on April 23, 2013 and March 6, 2014 (collectively, the "Resolutions").

2. The 2014A 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 2014A 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 2014A Bonds in order that interest on the 2014A Bonds be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the 2014A Bonds to be included in federal gross income retroactive to the date of issuance of the 2014A 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 2014A Bonds.

Subject to compliance by the Division of Bond Finance and the Board with the aforementioned covenants, (a) interest on the 2014A Bonds is excluded from gross income for purposes of federal income taxation, and (b) interest on the 2014A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, interest on the 2014A Bonds will be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations. We express no opinion regarding other federal tax consequences caused by the ownership of or the receipt of interest on or the disposition of the 2014A Bonds.

It is to be understood that the rights of the owners of the 2014A Bonds and the enforceability thereof may be subject to the exercise of judicial discretion in accordance with general principles of equity, to the valid exercise of the sovereign police powers of the State of Florida and of the constitutional powers of the United States of America and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.

In rendering the foregoing opinions, we have assumed the accuracy and truthfulness of all public records and of all certifications, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities and have not independently verified the accuracy or truthfulness thereof and the genuineness of the signatures appearing upon such public records, certifications, documents and proceedings.

Our opinions expressed herein are predicated upon present law, facts and circumstances as of the date of issuance and delivery of the 2014A Bonds, and we assume no affirmative obligation to update the opinions expressed herein if such laws, facts or circumstances change after such date.

As Bond Counsel, we have not been engaged nor have we, in such capacity, undertaken to review the accuracy, completeness or sufficiency of any offering material relating to the 2014A Bonds and we express no opinion herein relating thereto.

Respectfully submitted,

BRYANT MILLER OLIVE P.A.

PROVISIONS FOR BOOK-ENTRY ONLY SYSTEM OR REGISTERED BONDS

The Depository Trust Company and Book-Entry Only System

THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE DIVISION BELIEVES TO BE RELIABLE; HOWEVER, THE DIVISION TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

DTC will act as securities depository for the State of Florida, Board of Governors, Florida State University Dormitory Revenue Refunding Bonds, Series 2014A (the "2014A Bonds"). The 2014A 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 2014A Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities and Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and together with Direct Participants, the "Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the 2014A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2014A Bonds on DTC's records. The ownership interest of each actual purchaser of each 2014A 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 2014A 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 2014A Bonds, except in the event that use of the book-entry system is discontinued.

To facilitate subsequent transfers, all 2014A 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 2014A 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 2014A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2014A 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 2014A Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect

to the 2014A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2014A Bond documents. For example, Beneficial Owners of 2014A Bonds may wish to ascertain that the nominee holding the 2014A 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 2014A 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 2014A 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 2014A 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 2014A 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 2014A 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 2014A 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 2014A Bonds will be printed and delivered as provided in the documents authorizing the issuance and sale of the 2014A Bonds.

For every transfer and exchange of beneficial interests in the 2014A 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 2014A Bonds, references herein to the Registered Owners or Holders of the 2014A Bonds shall mean Cede & Co. and not mean the Beneficial Owners of the 2014A 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 2014A 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 2014A 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 2014A Bonds, or the purchase price of, any 2014A 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 2014A Bonds for partial redemption.

So long as the 2014A 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 2014A Bonds for all purposes whatsoever, including, without limitation:

- (i) the payment of the principal of, premium, if any, and interest on the 2014A Bonds;
- (ii) giving notices of redemption and other matters with respect to the 2014A Bonds;
- (iii) registering transfers with respect to the 2014A Bonds; and
- (iv) the selection of the beneficial ownership interests in the 2014A 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 2014A Bond as the absolute owner for all purposes, whether or not such 2014A Bond is overdue, and will not be bound by any notice to the contrary.

Principal of and premium, if any, on the 2014A Bonds will be payable upon presentation and surrender of the 2014A 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 2014A 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 2014A 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 2014A 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 2014A 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 2014A 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 2014A Bond is delivered.

The Bond Registrar/Paying Agent will not be required to issue, transfer or exchange any 2014A Bonds on the Record Date.

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