

**STATE OF FLORIDA
BOARD OF GOVERNORS
UNIVERSITY AUXILIARY FACILITY REVENUE BONDS**

The following is a general overview only. The status of each university's financings should be reviewed separately. The bonds issued under this program are not cross-collateralized or cross-defaulted with those of any other university.

- Agency:** Board of Governors of the state university system, and the respective state universities. (Earlier series of the bonds were issued in the name of the former Board of Regents, Florida Board of Education or Florida Education System.)
- Purpose:** The bonds are issued for the purpose of financing revenue-generating capital projects for various universities in the State university system. All projects are approved by the Florida Legislature prior to the issuance of the bonds. The projects financed include student housing facilities, bookstores, parking facilities, dining facilities and student health facilities.
- Security:** Pledged Revenues - The bonds may be secured by the net revenues of the project financed, or more frequently, the net revenues of the auxiliary system of which the project is a part. For example, housing bonds are generally secured by the net revenues of a university's housing system. The bonds may also be secured by mandatory student fees, such as the transportation access fee or the health fee. **The bonds are not a general obligation or indebtedness of either the State of Florida or of the university, and the full faith and credit of the State of Florida and the university is not pledged to payment of the bonds.**
- Debt Service Reserve Fund - The bonds may also be secured by a reserve account. In the past, reserve accounts were funded with debt service reserve account surety bonds or cash in an amount equal to the maximum annual debt service on the bonds. Some recent bond issues have not had reserve requirements, and reserve accounts have not been funded.
- Lien Status - Most university auxiliary facility revenue bonds have a senior lien on the pledged revenues, although a few programs have prior lien bonds.
- Additional Bonds Test - Varies depending on the particular bond issue. Generally, additional parity bonds may be issued if the pledged revenues are equal to or greater than 120% of the maximum annual debt service on the outstanding bonds and the proposed additional bonds.
- Frequency:** Several times each year for a variety of universities and programs, as required.
- Bond Ratings:** Some, but not all, university auxiliary financings have underlying ratings. Previously, most university auxiliary facility revenue bonds were insured, resulting in AAA ratings. Recent bond issues have not been insured and ratings vary depending upon the university and auxiliary facility financed. See "Summary of Bond Program Ratings."

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