The University of Florida Board of Trustees’ Committee on Audit and Operations Review and Committee on Finance and Facilities, and the full Board of Trustees, will have meetings/telephone conference call meetings at the below-listed campus location on March 9, 2015 in the following sequence, beginning at 3:30 p.m. EST, with one meeting beginning immediately after the prior meeting ends, and continuing until all meetings have concluded:

UNIVERSITY OF FLORIDA BOARD OF TRUSTEES’ COMMITTEE ON AUDIT AND OPERATIONS REVIEW
AGENDA
Meeting/Telephone Conference Call Meeting
March 9, 2015
Beginning at 3:30 P.M. EST
Campus Location: 123 Tigert Hall, University of Florida, Gainesville, Florida

University of Florida Board of Trustees’ Committee on Audit and Operations Review
Members:
Charles B. Edwards (Chair), Christopher T. Corr, Pradeep Kumar, Rahul Patel, Steven M. Scott, Robert G. Stern, Cory M. Yeffet

1.0 Verification of Quorum ........ Jamie Lewis Keith, VP/General Counsel/University Secretary

2.0 Call to Order and Welcome ......................................................... Charles B. Edwards, Chair

3.0 Review and Approval of Minutes................................................. Charles B. Edwards, Chair
   December 4, 2014

4.0 Action Items (Consent) ............................................................. Charles B. Edwards, Chair
   AO1. University of Florida Performance Based Funding – Data Integrity (Audit Report) and Performance Based Funding Data Integrity Certification

5.0 Discussion/Informational Items.................................................... Charles B. Edwards, Chair

6.0 New Business .............................................................................. Charles B. Edwards, Chair

7.0 Adjourn....................................................................................... Charles B. Edwards, Chair
UNIVERSITY OF FLORIDA BOARD OF TRUSTEES’
COMMITTEE ON FINANCE AND FACILITIES
AGENDA
Meeting/Telephone Conference Call Meeting
March 9, 2015
Beginning immediately after the conclusion of the meeting of the Board’s Committee on Audit and Operations Review (which begins at 3:30 P.M. EST)
Campus Location: 123 Tigert Hall, University of Florida, Gainesville, Florida

University of Florida Board of Trustees’ Committee on Finance and Facilities Members:
Jason J. Rosenberg (Chair), David L. Brandon, Susan M. Cameron, James W. Heavener, Carolyn K. Roberts, Steven M. Scott, David M. Thomas

1.0 Verification of Quorum........ Jamie Lewis Keith, VP/General Counsel/University Secretary
2.0 Call to Order and Welcome .................................................................Jason J. Rosenberg, Chair
3.0 Review and Approval of Minutes.......................................................Jason J. Rosenberg, Chair
   November 25, 2014
   December 4, 2014
4.0 Action Items (Consent) ....................................................................Jason J. Rosenberg, Chair
   FF1. and R15-144  University Athletic Association, Inc. Bond
5.0 Discussion/Informational Items............................................................Jason J. Rosenberg, Chair
6.0 New Business ....................................................................................Jason J. Rosenberg, Chair
7.0 Adjourn .........................................................................................Jason J. Rosenberg, Chair
UNIVERSITY OF FLORIDA BOARD OF TRUSTEES
AGENDA
Meeting/Telephone Conference Call Meeting
March 9, 2015
Beginning immediately after conclusion of the meeting of the Board’s Committee on Finance and Facilities (which begins immediately after the Board’s Committee on Audit and Operations Review, which begins at 3:30 P.M. EST)
Campus Location: 123 Tigert Hall, University of Florida, Gainesville, Florida

University of Florida Board of Trustees Members:
Steven M. Scott (Board Chair), David L. Brandon, Susan M. Cameron, Christopher T. Corr, Charles B. Edwards, James W. Heavener, Pradeep Kumar, Rahul Patel, Carolyn K. Roberts, Jason J. Rosenberg, Robert G. Stern, David M. Thomas, Corry M. Yeffet

1.0 Verification of Quorum ........ Jamie Lewis Keith, VP/General Counsel/University Secretary

2.0 Call to Order and Welcome .................................................. Steven M. Scott, Board Chair

3.0 Review and Approval of Minutes..............................................Steven M. Scott, Board Chair
December 12, 2014

4.0 Committee Reports .........................................................Steven M. Scott, Board Chair
Audit and Operations Review Committee ....................................Charles B. Edward, Chair
Finance and Facilities Committee...............................................Jason J. Rosenberg, Chair
(Only if any Trustee did not attend the Committees’ meetings.)

5.0 Board Action Items (Consent).................................................Steven M. Scott, Board Chair
AOI. University of Florida Performance Based Funding – Data Integrity (Audit Report) and Performance Based Funding Data Integrity Certification
FF1. and R15-144 University Athletic Association, Inc. Bond

6.0 Board Discussion/Informational Items .................................Steven M. Scott, Board Chair

7.0 New Business .................................................................Steven M. Scott, Board Chair

8.0 Adjourn .................................................................Steven M. Scott, Board Chair
SUBJECT: University of Florida Performance Based Funding – Data Integrity (Audit Report) and Performance Based Funding Data Integrity Certification

BACKGROUND INFORMATION

The Board of Governors has implemented a performance based funding model aligned with the SUS Strategic Plan goals. The integrity of the data provided to the Board of Governors by the universities is critical to the performance based funding model. On June 27, 2014, the Chairman of the Board of Governors instructed each University President that he or she would need to execute a Performance Based Funding Data Integrity Certification to provide assurances that the data submitted to the Board of Governors for performance based funding decision-making is reliable, accurate, and complete. This form also must be approved by the University Board of Trustees and certified by the Chair of the Board of Trustees.

The Board of Governors Chair further instructed each university Board of Trustees to direct its Chief Audit Executive to perform an audit of the university’s processes which ensure the completeness, accuracy and timeliness of the data certified to the Board of Governors. The Office of Internal Audit performed the broad-scope audit as soon as it could in light of delays in receipt of necessary data from the Board of Governors, and on February 9, 2015 issued an audit report, Performance Based Funding – Data Integrity. President Fuchs has signed the certification. Upon acceptance of the audit by the Board of Trustees, Board Chair Scott will need to execute the required certification and we will submit it and the audit to the Board of Governors as the basis for UF’s performance based funding.

PROPOSED COMMITTEE ACTION

The Committee on Audit and Operations Review is asked to accept the University of Florida Performance Based Funding Data Integrity Audit Report as presented, and to approve the Performance Based Funding Data Integrity Certification, for execution by the Board Chair. The
Committee is asked to approve these items for recommendation to the Board of Trustees for its approval on the Consent Agenda.

**SIGNIFICANT POLICY ISSUES FOR COMMITTEE TO CONSIDER**

Board of Governors approval is not required. Submission to the Board of Governors is required after action by the Board of Trustees and certification by the President and Board of Trustees Chair.

Supporting Documentation Included: See attached Certification and Audit Report in the Appendix.

Submitted by: Brian Mikell, Chief Audit Executive
Name of University: University of Florida
Period Ending: 2014-2014 Academic Year

**INSTRUCTIONS:** Please respond “Yes,” “No” or “N/A” in the blocks below for each representation. Explain any “No” or “N/A” responses to ensure clarity of the representation and include copies of supporting documentation as attachment(s).

<table>
<thead>
<tr>
<th>Performance Based Funding Data Integrity Certification Representations</th>
<th>Yes</th>
<th>No</th>
<th>N/A</th>
<th>Comment / Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I am responsible for establishing and maintaining, and have</td>
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<tr>
<td>established and maintained, effective internal controls and</td>
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<tr>
<td>monitoring over my university’s collection and reporting of data</td>
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<td>submitted to the Board of Governors Office which will be used by</td>
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<td>the Board of Governors in Performance Based Funding decision-making.</td>
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<td>2. These internal controls and monitoring activities include, but are</td>
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<td>not limited to, reliable processes, controls, and procedures</td>
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<td>designed to ensure that data required in reports filed with my</td>
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<td>Board of Trustees and the Board of Governors are recorded,</td>
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<td>processed, summarized and reported in a manner which ensures its</td>
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<td>accuracy and completeness.</td>
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<td>3. In accordance with Board of Governors Regulation 1.001(3), my</td>
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<td>Board of Trustees has required that I maintain an effective</td>
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<td>information system to provide accurate, timely, and cost-effective</td>
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<td>information about the university, and shall require that all data</td>
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<td>and reporting requirements of the Board of Governors are met.</td>
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<td>4. In accordance with Board of Governors Regulation 3.007, my</td>
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<td>university shall provide accurate data to the Board of Governors</td>
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<td>Office.</td>
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<td>5. In accordance with Board of Governors Regulation 3.007, I have</td>
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<tr>
<td>Performance Based Funding Data Integrity Certification Form</td>
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<tr>
<td>Representations</td>
<td>Yes</td>
<td>No</td>
<td>N/A</td>
<td>Comment / Reference</td>
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<td>-----------------------------------------------------------------------------</td>
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<tr>
<td>appointed a Data Administrator to certify and manage the submission of data to the Board of Governors Office.</td>
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<tr>
<td>6. In accordance with Board of Governors Regulation 3.007, I have tasked my Data Administrator to ensure the data file (prior to submission) is consistent with the criteria established by the Board of Governors Data Committee. The due diligence includes performing tests on the file using applications/processes provided by the Board of Governors Information Resource Management (IRM) office.</td>
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<td>7. When critical errors have been identified, through the processes identified in item #6, a written explanation of the critical errors was included with the file submission.</td>
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<td>8. In accordance with Board of Governors Regulation 3.007, my Data Administrator has submitted data files to the Board of Governors Office in accordance with the specified schedule.</td>
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<td>9. In accordance with Board of Governors Regulation 3.007, for each data file submission, my Data Administrator provided a certification indicating, &quot;I certify that this file/data represents the position of this University for the term being reported.&quot;</td>
<td>☒</td>
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<td>The BOG's electronic submission portal did not provide a means of making the certification until January 2015. Consequently, the act of submission was intended to mean the data were accurate. This issue was raised to the BOG, which ultimately changed the electronic portal to provide for certification as of January 8, 2015.</td>
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<td>10. I am responsible for taking timely and appropriate preventive/corrective actions for deficiencies noted through reviews, audits, and investigations.</td>
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<td>11. I recognize that the Board's Performance Based Funding initiative will drive university policy on a wide range of university operations - from admissions through graduation. I certify that university policy</td>
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</table>
Performance Based Funding
Data Integrity Certification

<table>
<thead>
<tr>
<th>Performance Based Funding Data Integrity Certification Representations</th>
<th>Yes</th>
<th>No</th>
<th>N/A</th>
<th>Comment / Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>changes and decisions impacting this initiative have been made to</td>
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<td>bring the university's operations and practices in line with State</td>
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<td>University System Strategic Plan goals and have not been made for the</td>
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<td>purposes of artificially inflating performance metrics.</td>
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</table>

I certify that all information provided as part of the Board of Governors Performance Based Funding Data Integrity Certification is true and correct to the best of my knowledge; and I understand that any unsubstantiated, false, misleading or withheld information relating to these statements render this certification void. My signature below acknowledges that I have read and understand these statements. I certify that this information will be reported to the board of trustees and the Board of Governors.

Certification: ___________________________ Date 2/23/15

President

I certify that this Board of Governors Performance Based Funding Data Integrity Certification has been approved by the university board of trustees and is true and correct to the best of my knowledge.

Certification: ___________________________ Date ______________________

Board of Trustees Chair
SUBJECT: University Athletic Association, Inc. Bond

BACKGROUND INFORMATION

The University Athletic Association, Inc. ("UAA") proposes to finance, through the issuance of fixed rate or variable rate bonds, as determined by the UAA, a portion of the cost (to include reimbursement to UAA for amounts expended prior to bond issuance) of the following capital improvements relating to student-athlete facilities on the main campus: (a) the construction, renovation, expansion and equipping of the Office of Student Life (currently projected to cost approximately $25 million) to support the academic and life-skills success and community service of student athletes, and (b) the acquisition, construction and equipping of a new indoor football training facility (currently projected to cost approximately $15 million), to provide for uninterrupted practice and safety during inclement weather and to bring UAA’s practice facilities up to a competitive level with those of comparable NCAA and SEC programs, and together with the Office of Student Life facility, the “Project”.

The bonds will be issued in a total principal amount not to exceed $15 million, and the balance of the Project’s costs will be paid by the UAA. While low-interest, tax-exempt bond financing is the best option for use of UAA resources, the UAA has sufficient funding on hand, and the ability to replenish such funding from currently successful fundraising underway, to undertake the Project, if necessary. The bonds will be general obligations of the UAA, payable from available revenues of UAA including, but not limited to, ticket sales, conference revenues, auxiliary sales, sponsorships and such other revenues that may be used, pursuant to section 1010.62, Florida Statutes. Commencement of the Project is beginning.

Detailed information regarding the proposed $15 million bond issuance is provided in the attached supporting documentation.
The Board is asked to approve the issuance of the bonds. The Board’s review and general endorsement of the Project is also sought.

**PROPOSED COMMITTEE ACTION**

Recommend that the Board of Trustees, on its Consent Agenda, generally endorse the Project and adopt the attached Resolution R15-144 (i) authorizing the issuance of the bonds to fund a portion of the Project and pay costs associated with the bonds; (ii) requesting that the Board of Governors approve the issuance of the bonds; and (iii) authorizing the President of the University, any officer of UAA, and other authorized representatives of the University and UAA, to take all necessary or desirable actions in connection with the execution, sale, and delivery of the bonds.

**SIGNIFICANT POLICY ISSUES FOR COMMITTEE TO CONSIDER**

Board of Governors’ approval of the bond issuance, which is being requested at its March meeting, and legislative approval of the Project through the 2015-16 General Appropriations Act are also required.

| Supporting Documentation Included: See attached R15-144 and materials in the Appendix. |
| Submitted by: Jeremy N. Foley, Director of Athletics |
The new indoor facility will house a full 120-yard, synthetic turf football field, additional space for drill work on the north end of the field, three camera platforms, satellite training room facilities, equipment storage and restrooms. The project will also feature a newly redesigned entrance to the baseball stadium and football practice facility.

Previously when dealing with inclement weather, the football team would have to reschedule practice, move inside to the Stephen C. O’Connell Center or Florida Gym or cancel practice altogether. During the 2014 season, an estimated 30 practices were affected by weather. With the O’Connell Center renovation project slated to begin this spring, it will no longer be available for football practices.

In addition to the indoor turf field, the updated Sanders football practice fields will include two natural grass fields; a 120-yard field (including two end zones) and a 70-yard field (with end zone on one end). The indoor facility will have multiple overhead roll-up doors along the east and west side for ventilation, and also for easy access to allow the team to utilize all three fields during a practice. The facility will also be fully conditioned to maintain consistent temperatures during use. The facility will also be available at times throughout the year for other Gator sports as needed.

The cost of the project is estimated at $15 million and will be financed through capital financing and major capital gifts.

QUICK FACTS

Project Design: Davis Architects (Birmingham, Ala.)

Project Management: Brasfield & Gorrie General Contractors (Birmingham, Ala.)

Estimated Cost: $15 million

Open for Use: September, 2015
UNIVERSITY OF FLORIDA BOARD OF TRUSTEES
RESOLUTION

Number: R15-144

Subject: University Athletic Association, Inc. Bond

Date: March 9, 2015

A RESOLUTION AUTHORIZING THE ISSUANCE OF DEBT AND REQUESTING THE FLORIDA BOARD OF GOVERNORS TO APPROVE THE ISSUANCE OF DEBT IN AN AMOUNT NOT TO EXCEED $15,000,000 TO FINANCE THE CONSTRUCTION, RENOVATION, EXPANSION AND EQUIPPING OF THE OFFICE OF STUDENT LIFE AND THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF A NEW INDOOR FOOTBALL PRACTICE FACILITY ON THE CAMPUS OF THE UNIVERSITY OF FLORIDA AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE UNIVERSITY OF FLORIDA BOARD OF TRUSTEES (all capitalized terms not otherwise defined herein will be as defined in the Amended and Restated Trust Indenture, dated as of October 1, 2011, between The University Athletic Association, Inc. (“UAA”) and TD Bank, National Association, or its successors or assigns (the “Trustee”), as heretofore amended and supplemented, particularly as amended and supplemented by a Third Supplemental Trust Indenture, dated as of its date, between UAA and the Trustee (collectively, the “Indenture”):

Section 1. The University of Florida Board of Trustees (the “Board of Trustees”) hereby authorizes the issuance of tax-exempt debt in an amount not to exceed FIFTEEN MILLION DOLLARS ($15,000,000) (the “Debt”) by UAA on behalf of the Board of Trustees, such authorization conditioned upon UAA having heretofore authorized the issuance of the Debt and hereafter obtaining the legislative approval of the Project (as defined below) pursuant to the 2015-16 General Appropriations Act. The Board of Trustees hereby requests the State University System of Florida Board of Governors (the “Board of Governors”) to approve the issuance of the Debt for the purpose of financing or reimbursing (i) (a) the construction, renovation, expansion and equipping of the Office of Student Life and (b) the acquisition, construction and
equipping of a new indoor football training facility (collectively, the “Project”), all as more particularly described on Schedule A hereto, on the campus of the University of Florida (the “University”) and (ii) paying certain costs relating to the Debt. The Board of Trustees hereby affirms the existence and the purposes of UAA.

Section 2. The Project is reflected on the approved master plan for the University and is consistent with the mission of the University because the Project will provide additional and renovated facilities for use by the students and employees of the University. Construction of the Project is expected to begin in February 2015 and is expected to be completed in calendar year end 2016. Proceeds of the Debt are not anticipated to be sufficient to complete the construction of the Project without the use of additional funds. The additional necessary funding in the amount of $25,150,000 will be obtained from capital gifts and UAA reserves. Prior to the issuance of the Debt, approval of the Board of Governors and legislative approval of the Project will be obtained pursuant to the 2015-16 General Appropriations Act. No proceeds of the Debt will be used to finance operating expenses of the University or UAA.

Section 3. The Debt will be a general obligation of UAA and UAA is legally authorized to secure the payment of the Debt with available revenues of UAA, including but not limited to, ticket sales, conference revenues, auxiliary sales, sponsorships and such other revenues that may be used, pursuant to Section 1010.62, Florida Statutes, as amended, to pay and secure debt (with the exception of (i) the Athletic Fees described in Section 1009.24(12), Florida Statutes, as amended and (ii) any capital gifts and donations). The Debt is expected to be issued on a parity and with the same benefit and security of the Indenture as all other Debt issued thereunder and no Athletic Fees, as described in Section 1009.24(12), Florida Statutes, as amended, or capital gifts and donations will be pledged for payment of the debt service on the Debt. The Debt may be secured by a Credit Facility that will be chosen through a competitive selection process analyzing the cost of the Credit Facility and the expected interest cost savings resulting from its use. UAA is committed to ensuring that sufficient revenues will be generated to fulfill UAA’s obligations with respect to the Debt.

Section 4. The Debt will mature not more than twenty (20) years after issuance, including any extensions or renewals thereof. The Project has an estimated average useful life of twenty-six (26) years, which is beyond the anticipated final maturity of the Debt. The Debt will bear interest in a fixed or variable rate mode as determined by UAA. UAA has the requisite technical expertise to determine the initial interest rate mode for the Debt that will be in the best interest of UAA as the market would dictate at the time of issuance. Variable rate debt will be managed in accordance with UAA’s debt management policies as set forth in Tabs l and n of Appendix A hereto.
**Section 5.** UAA has the requisite technical expertise to properly manage the risks and the execution of the Debt in any interest rate mode through its staff, including the Director of Athletics, the Associate Athletics Director and UAA’s Bond Financial Advisor. UAA’s Director of Athletics will be responsible for monitoring the variable interest rates paid on the Debt, if any, and if necessary, establishing a variable rate debt service budget for the Debt and preparing the annual reports on variable rate debt required pursuant to the Debt Management Guidelines adopted by the Board of Governors on April 27, 2006, as amended on September 16, 2010 and November 21, 2013, and as may be amended from time to time by the Board of Governors (the “Debt Management Guidelines”).

**Section 6.** It is expected that the Debt will be sold pursuant to a negotiated sale. A negotiated sale is necessary because of prevailing market conditions, because delays caused by soliciting competitive bids could adversely affect the ability to issue and deliver the Debt at presently favorable interest rates, and because the nature of the security for the Debt and the sources of payment of debt service on the Debt requires the participation of a purchaser, an underwriter, a placement agent and/or remarketing agent in structuring the Debt. An analysis showing that a negotiated sale is desirable is attached in Tab q of Appendix A. Any selection of a purchaser, an underwriter, a placement agent and/or remarketing agent will be accomplished through a competitive selection process.

**Section 7.** The Board of Trustees will comply, and will require the University and UAA to comply, with all requirements of federal and state law relating to the Debt, including but not limited to, laws relating to maintaining any exemption from taxation of interest payments on the Debt and continuing secondary market disclosure of information regarding the Debt.

**Section 8.** The Board of Trustees and UAA shall comply with the Debt Management Guidelines and the debt management policy of the University in connection with the issuance of the Debt.

**Section 9.** The President of the University, any officer of UAA and other authorized representatives of the University and UAA are hereby authorized to take all actions and steps, to execute all instruments, documents, and contracts, and to take all other actions as they may deem necessary or desirable, in connection with the execution, sale and delivery of the Debt.

**Section 10.** In making the determination to finance the Project, the Board of Trustees has reviewed additional information relevant to such determination. Such information is attached hereto as Appendix A.
Section 11. These resolutions shall take effect immediately upon their adoption, subject to the approval of the Board of Governors and the legislative approval of the Project pursuant to the 2015-16 General Appropriations Act.

CERTIFICATE OF THE CORPORATE SECRETARY

The undersigned, Corporate Secretary of The University of Florida Board of Trustees, does hereby certify that the attached resolution is a true and accurate copy as adopted by The University of Florida Board of Trustees on March 9, 2015.

THE UNIVERSITY OF FLORIDA
BOARD OF TRUSTEES

Dated: ________________, 2015

By: ______________________________
    Corporate Secretary
Appendix A

The following documents have been reviewed by the staff of the Board of Directors of UAA prior to the execution of these resolutions:

Tab a. the project programs and descriptions;
Tab b. a schedule for the project costs and debt proceeds;
Tab c. sources and uses of funds for the project;
Tab d. an estimated debt service schedule;
Tab e. consolidated debt service schedules for any outstanding debt with a lien on the pledged revenues;
Tab f. a schedule showing estimated compliance with any additional debt requirement set forth in the documents governing the outstanding debt;
Tab g. a description of the security supporting repayment and the lien position the debt will have on that security and copies of the applicable provisions of the documents relating to outstanding debt;
Tab h. a description of the parity provisions and copies of the Indenture and copies of the applicable provisions of the documents relating to parity debt security supporting repayment and the lien position the debt will have on that security;
Tab i. copies of the financial statements;
Tab j. a five year history, if available, and a five year projection, of the pledged revenues and the debt service coverage;
Tab k. University Master Plan;
Tab l. for variable rate debt: (1) the expected reduction in total borrowing costs; (2) a variable rate debt management plan that addresses liquidity and interest rate risks and provides, at a minimum: a description of budgetary controls, a description of liquidity arrangements, a discussion of why the amount of variable rate debt being proposed is appropriate, and a plan for hedging interest rate exposure; (3) a pro forma showing the fiscal feasibility of the project using current market interest rates plus 200 basis points; (4) the total amount of variable rate debt including the proposed debt as a percentage of the total amount of University and UAA debt outstanding; and (5) a swap management plan if interest rate risks are to be mitigated by the use of derivatives;
Tab m. legislative approval;
Tab n. debt management policy;
Tab o. selection of professional advisors;
Tab p. annual variable rate debt report;
Tab q. any negotiated sale analysis; and
Tab r. quantitative metrics justifying construction.
<table>
<thead>
<tr>
<th>Project</th>
<th>Estimated Cost</th>
<th>Estimated Construction Start Date</th>
<th>Estimated Completion Date</th>
<th>Estimated Date Debt Proceeds Required</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renovation and expansion of Office of Student Life</td>
<td>$25,150,000</td>
<td>May 2015</td>
<td>December 2016</td>
<td>May 2015 ¹</td>
<td>30 Years</td>
</tr>
<tr>
<td>Construction of New Indoor Football Practice Facility</td>
<td>$15,000,000</td>
<td>February 2015</td>
<td>August 2015</td>
<td>March 2015 ¹</td>
<td>20 Years</td>
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</tbody>
</table>

¹ Legislative approval is being sought and is expected by July 1, 2015 and UAA will reimburse the construction costs once the debt proceeds are received.
APPENDIX

Note: For direct access to individual documents in the Appendix (without scrolling) go to the Agenda and click on the blue links, or go to the bookmarks (upper left hand corner on the iPad or upper right hand corner on the computer).
1.0 Verification of Quorum

After a roll call, a quorum was confirmed, with all members present except for Trustee Edwards and Trustee Scott.

Members present were:

Christopher T. Corr (Acting Chair), David L. Brandon, Pradeep Kumar, Juliet M. Roulhac and Cory M. Yeffet. Committee Chair Edwards was unable to attend.

2.0 Call to Order and Welcome

Committee Member Corr served as Acting Chair and called the meeting to order at 12:30 p.m. EDT.

3.0 Review and Approval of Minutes

The Acting Committee Chair asked for a motion to approve the minutes of the June 5, 2014 committee meeting, which was made by Trustee Roulhac and Seconded by Trustee Brandon. The Chair asked for further discussion, after which he asked for all in favor of the motion and any opposed, and the motion was approved unanimously.

4.0 Action Items

There were no action items for consideration.
The following Discussion/Informational Items were addressed by the Committee:

5.0 Discussion/Informational Items

5.1 Office of Auditor General – Update on External Audits

Phil Ciano of the Auditor General’s Office appeared before the Committee to provide an update on external audit activity.

• With regard to current audit projects, Mr. Ciano reported:
  
  o **Financial Statement Audit for the 2013-2014 fiscal year**: This audit is conducted as part of a statewide audit, but a separate report is issued for the University of Florida. The audit is in the final stages of fieldwork and could be released as early as December 19, but certainly by early January 2015.

  o **Federal Audit for the 2013-2014 fiscal year**: This audit is conducted and reported as part of a statewide audit, with a separate segment for University of Florida. Mr. Ciano stated that work on this audit at the University of Florida has been limited to follow-up of prior year findings. Federal regulations require the report to be issued by March 31, 2015, and the statewide report should be issued in March.

• With regard to the 2014-2015 fiscal year audit period, Mr. Ciano anticipates work at UF will include the Financial Statement Audit, increased work on the Statewide Federal Audit, and potentially an Operational Audit. The Auditor General’s Office is required to perform an Operational Audit at least every three years. Decisions on the Auditor General’s work plan for the year will likely be made in February, 2015.

5.2 Audits and Other Reviews

Chief Audit Executive Brian Mikell and Audit Director Joe Cannella of the Office of Internal Audit (OIA) presented seven (7) internal audit project reports that had been issued since the last Committee meeting. The reports presented were:

1) University Athletic Association, Inc. (UAA) Business Continuity and Data Maintenance
2) Material and Supply Fees and Equipment Use Fees
3) UAA Sports Injury Monitoring System
4) Mobile Computing and Storage Devices
5) University of Florida Foundation, Inc. (UFF) Other Revenues
6) UFF Travel Expenses
7) International Student Activities
The reports and summaries had been previously provided to the committee for detailed review. Each audit project was briefly discussed and questions from the committee were answered.

5.3 Quarterly Follow-up

Audit Director Joe Cannella of the OIA reported on the follow-up status of comments and action plans from previously issued internal and other audits.

5.4 2014-2015 Annual Audit Plan Revisions

The Board approved a three-year risk-based audit work plan in June, 2013. This audit plan is adjusted twice a year to reflect changes in risks and available resources. Chief Audit Executive Brian Mikell presented proposed revisions to the plan for the upcoming fiscal year. Discussed at length was the addition of the BOG-requested project Performance Based Funding – Data Integrity. The addition of this substantial project, along with current staffing capacity, led to postponement of four (4) planned projects. The Committee also discussed potential of future BOG-related audit project requests.

After questions from the Committee were answered, the Committee authorized the mid-year revisions to the OIA audit plan for the 2014-2015 fiscal year.

5.5 Audits of Affiliated Organizations

The Committee was provided information relating to audits of university affiliated organizations. This information was compiled by the general accounting and financial reporting department of the Office of the Controller. Senior Associate Controller Kathleen Tillett discussed the schedules and answered questions from the Committee.

5.6 2013-2014 Office of Internal Audit Annual Report

Chief Audit Executive Brian Mikell presented a PowerPoint of the highlights from the OIA’s 2013-2014 Annual Report. The report covered OIA activities for the fiscal year including organizational changes, expenditures, analysis of time resources, projects completed, client surveys, and investigations. A copy of the annual report was provided to each Committee member present and has been posted to the website of the Office of Internal Audit.
6.0  New Business

Trustee Corr reported that he had reviewed the status of investigations conducted by the OIA. These activities include items that have been received on the UF Compliance Hotline. The OIA either reviews or ensures that allegations are referred to other appropriate university offices, such as Human Resources. Trustee Corr reported that he is satisfied the investigations are being appropriately conducted and reviewed.

7.0  Adjourn

After asking for any further discussions and hearing none, Acting Committee Chair Corr asked for a motion to adjourn the meeting. The meeting was adjourned at 1:50 p.m. EDT.
**EXECUTIVE SUMMARY**

**AUDIT REPORT**

Scope and Objectives

Background

Overall Conclusion

Comment 1 – Documentation for Review Processes

Comment 2 – SUDS System Access Control

Attachment A – Performance Based Funding Data Integrity Certification

Attachment B – Board of Governors Performance Based Funding Metric Definitions

Attachment C – Performance Funding Model – *University of Florida*

Attachment D – Overview of the University SUDS Submission Data and Process Flows

**MANAGEMENT RESPONSE**
February 9, 2015

MEMORANDUM

TO: UF Board of Trustees Audit Committee

FROM: Brian D. Mikell, CPA
Chief Audit Executive

SUBJECT: Performance Based Funding – Data Integrity

We audited the University of Florida’s Performance Based Funding – Data Integrity as of September 30, 2014. The attached report defines the scope of our audit and contains analysis and comments.

Please call me if you have any questions regarding the contents of the audit report.

BDM: dh

cc: President Fuchs
Sr. Vice President and Provost
Sr. Vice President and COO
Assistant Provost and Director, Institutional Planning and Research
Auditor General
EXECUTIVE SUMMARY

The Florida Legislature has called upon the State University System (SUS) of Florida to reach new levels of efficiency, academic quality and accountability. The Board of Governors (BOG) responded by implementing a performance based funding (PBF) model, which is intended to build upon the BOG’s strategic plans and goals and annual accountability reports. This model seeks to further elevate the SUS while acknowledging each university’s distinct mission.

The integrity of the data provided to the BOG by the universities is critical to the PBF decision-making process. Therefore, the BOG developed a Performance Based Funding Data Integrity Certification to provide assurances that the data submitted is reliable, accurate, and complete. This certification form is to be executed by the University President, affirmatively certifying each representation and/or providing an explanation as to why the representation cannot be made as written. The certification form is also to be approved by the university Board of Trustees (BOT) and certified by the BOT Chair.

On June 27, 2014, the Chairman of the BOG instructed each university BOT to “direct its Chief Audit Executive to perform, or cause to have performed by an independent audit firm, an audit of the university’s processes which ensure the completeness, accuracy and timeliness of data submissions to the Board of Governors.” This audit will provide an objective basis of support for the President and BOT Chair to certify the required representations.

The Office of Internal Audit conducted an audit of the University of Florida’s data submission process related to data metrics used for the BOG’s PBF initiative as of September 30, 2014. The primary objective of this audit was to determine the adequacy of university controls in place to promote the completeness, accuracy, and timeliness of these data submissions to the BOG.

Based on the results of our audit procedures, we concluded that controls over the university’s data submission process were adequate to promote the completeness, accuracy, and timeliness of submitted data relative to the BOG’s PBF initiative. University management and the audit team agreed on the following action plans to enhance controls related to the data submission process:

- The Office of Institutional Planning and Research and source data owners will enhance documentation of their due diligence review procedures for PBF submissions
- Enhancements were implemented relative to access control policies and procedures for the State University Data System Master File Submission Subsystem
Scope and Objectives

On June 27, 2014, the Chairman of the Board of Governors (BOG), citing BOG Regulation 1.001(6)(g), instructed each university board of trustees to “direct its Chief Audit Executive to perform, or cause to have performed by an independent audit firm, an audit of the university’s processes which ensure the completeness, accuracy and timeliness of data submissions to the Board of Governors.”

We have completed an audit, as of September 30, 2014, of the university’s data submission process related to data metrics used for the BOG’s performance based funding initiative. The primary objective of this audit was to determine the adequacy of university controls in place to promote the completeness, accuracy, and timeliness of these data submissions to the BOG.

Because of the inherent limitation in the application of such controls, errors or irregularities may, nevertheless, occur and not be detected. Also, assurances regarding the adequacy of internal controls cannot be projected to future periods due to the risk that procedures may become inadequate because of changes in conditions or compliance with procedures may deteriorate.

We conducted the audit in accordance with the International Standards for the Professional Practice of Internal Auditing as promulgated by the Institute of Internal Auditors. The audit fieldwork was conducted from July 16, 2014 through January 14, 2015 in accordance with the 2014-2015 audit work plan, amended pursuant to the BOG directive to the University of Florida Board of Trustees (BOT).

Background

The Florida Legislature has called upon the State University System (SUS) of Florida to reach new levels of efficiency, academic quality and accountability. The BOG has implemented a performance based funding (PBF) model, which is intended to build upon the BOG’s strategic plans and goals and annual accountability reports. This model seeks to further elevate the SUS while acknowledging each university’s distinct mission.

The integrity of the data provided to the BOG by the universities is critical to the performance based funding decision-making process. Therefore, the BOG developed a Performance Based Funding Data Integrity Certification to provide assurances that the data submitted to the BOG for PBF decision-making is reliable, accurate, and complete. This certification form is to be executed by the University President, affirmatively certifying each representation and/or providing an explanation as to why the representation cannot be made as written. The certification form is also to be approved by the university BOT and certified by the BOT Chair. This audit will provide an objective basis of support for the President and BOT Chair to certify the required representations (See Attachment A).
The PBF model has four stated guiding principles:

- Use metrics that align with SUS Strategic Plan goals
- Reward excellence or improvement
- Use a few clear, simple metrics
- Acknowledge the unique mission of the different institutions

The PBF Model includes ten metrics that evaluate the institutions on a range of issues.

- Eight of the ten metrics are common to all institutions. These include metrics on employment after graduation, cost of degree, graduation rates, academic progress, programs of strategic emphasis, and access to the university.
- One metric focuses on areas of improvement and distinct missions of each university. For the University of Florida, this metric is the number of awards that faculty have earned.
- The final metric is chosen by each university board of trustees from the remaining metrics in the University Work Plans that are applicable to their mission. The University of Florida BOT selected total research expenditures.

*Attachment B identifies the BOG Performance Based Funding Metric Definitions (as reported in the 2012-2013 System Accountability Report)*

*Attachment C identifies the University of Florida’s final score from 2012-2013 used for the 2014-2015 allocation*

The BOG Regulation 3.007, State University System (SUS) Management Information System, states the SUS universities shall provide accurate data to a management information system established and maintained by the BOG Office. The BOG has created a web-based State University Data System (SUDS) Master File Submission Subsystem for the SUS to report their data.

The number of files the university uploads is dependent on the submission type. Once all required files and any desired optional files for the submission are uploaded, the user checks the submission based on edit and standard reports provided by SUDS. The SUDS system will identify errors which cause the file to be rejected and should be corrected on the source file and re-uploaded to the system to be checked again. This process is iterated until the submission is free of all significant errors and/or the errors are explained. Once that is accomplished, the university is ready to ‘officially’ submit the data to the BOG for approval.

Once submitted, BOG staff reviews the results, error explanations, and standard reports. The submission will either be accepted or rejected. If rejected, then the reason will be posted to the user and a resubmission requested. If accepted, the submitted data will be promoted to the production database.

**Organizational Responsibilities**

The Office of Institutional Planning and Research (OIPR) is responsible for providing university management with information that supports institutional planning, policy formation and decision making; coordinating responses to inquiries for university-related information; serving as a comprehensive source
for information about the institution; and for administering the BOG data collection/reporting system on campus.

The OIPR consists of a Data Administrator (DA), appointed to certify and manage the submission of data and eleven other staff responsible for overseeing the BOG requests as well as requests from other external institutions. The OIPR received approximately 740 data requests each year of which the BOG requests were approximately 190 and 10 percent were relevant to the PBF metrics.

The data owners at the university consist of core offices responsible for the extraction and compilation of the information that support the PBF metrics and other data requests. Core offices capture and generate the data and are responsible for reviewing and correcting information in the data systems prior to the upload into SUDS. The following units were responsible for compiling the PBF metrics and were included within the scope of this audit:

- **Office of University Registrar (OUR):** Responsible for student information data used to create the student information files (SIF, SIFP, and SIFD). This data was used in multiple metrics involving graduation, retention, academic progress, and strategic emphasis.
- **Office of Admissions (Admissions):** Responsible for the personal demographics data in the ADM file.
- **Student Financial Affairs (SFA):** Responsible for the financial aid award data used to create the SFA file. This data was used in Metric 7 – University Access Rate.
- **Chief Financial Officer (CFO):** Responsible for the operating budget data which was used to create the Operating Budget (OB) file. The information in the OB file and the Instructional and Research Data (IRD) file was used by BOG to create the Expenditure Analysis (EA). This information was used in Metric 3 – Average Cost per Bachelor’s Degree.
- **OIPR:** Responsible for compiling information into the IRD file for the BOG to create the EA file. Extensive IT support was used to extract information from the Effort Reporting System for faculty workload and Classification of Instruction (CIP) code. This information was used in Metrics 3, 6, and 8a.
- **Cost Analysis:** This office was responsible for compiling the cost of research expenditures reported in the National Science Foundation Higher Education Research and Development Survey (HERD). This information is used by the BOG for Metric 10f – Total Research Expenditures.
- **Enterprise Systems (ES):** This unit provided information technology (IT) support to the various other units and was directly responsible for maintaining certain systems as well as generating reports from those systems.

After the upload by the data owners, the SUDS edit check summaries require further review for exceptions and necessary comments. This was an iterative process between the data owners, IT and the OIPR to address any significant exceptions in the summaries and formalize comments for the noted exceptions. The OIPR then performed a final review to determine the data accuracy prior to submission to the BOG for their approval. If the BOG accepted the file, then no further procedures were necessary for that submission. If the BOG rejected the file, then the data needed to be researched and corrected for reload and resubmission into SUDs until it received BOG approval.
Attachment D is a flowchart summarizing the data and process flows from extraction through the BOG approval.

Overall Conclusion

To identify and evaluate the controls in place relative to the university’s data submissions in support of the PBF metrics, we conducted employee interviews, performed analytical reviews, reviewed program codes, performed process walkthroughs, and tested transactions to source data.

Based on the results of our audit procedures, we concluded that controls over the university’s data submission process were adequate to promote the completeness, accuracy, and timeliness of submitted data relative to the BOG’s PBF initiative.

A management letter was issued in concurrence with the audit report to communicate other comments and observations that did not warrant inclusion in the report due to lack of significance or relation to the scope of the audit.

DATA ADMINISTRATOR (DA)

BOG Regulation 3.007(2) states that each university president shall appoint an Institutional DA to certify and manage the submission of data to the SUS management information system. The Director of the OIPR has been officially charged with being the DA for the university. We observed a letter of formal appointment by the president which identified her role as data administrator for the university since 2006. The director’s job description clearly defined her role as the DA. The DA and her staff are charged with ensuring that the university will provide accurate data to a management information system established and maintained by the BOG Office. Responsibilities include:

- Ensuring the data is in the correct format, contains the required elements, and is in accordance with specifications and criteria established by the BOG Data Committee.
- Prior to submitting the file, the university shall ensure the file is consistent with criteria established by performing tests on the file using application/processes provided by the BOG Information Resource Management (IRM) Office. Written explanation of critical errors must be included in the submission.
- Submitting the file to the Director of IRM or designee pursuant to the schedule set forth in the submission section for each file.
- Certifying that the file/data represents the position of the university for the term being reported.
- When a data file is rejected, the DA prepares and submits a revised data file within the time period specified by the SUS Data Administrator.

OIPR Review and Edit Procedures

BOG Regulation 3.007(5)(a) requires that the DA shall prepare and submit the data file to the Director of IRM, or the Director’s designee, pursuant to the schedule set forth in the submissions section of the specification for each file. The BOG develops a calendar of due dates for each submission and provides...
this information in the annual Higher Education Summit/SUS Data Workshops and on the SUDS submission screens.

Extensive procedures need to be performed by the data owners for extraction and review of the data, as well as by the OIPR for their review and submission. Consistent communication and coordination of these procedures is critical in order to meet the required deadlines. The OIPR developed an in-house Data Request System (DRS) used to coordinate and monitor the data requests. This system was used as a communication and documentation tool for data requests and helped to monitor what needed to be completed, who was involved, and when it was due.

Once the data owners have performed their extraction and review procedures, the DA and the OIPR staff perform their review. We noted comprehensive written procedures were in place to identify the submission process including work initiation, work in progress, quality checking and data release procedures conducted by the OIPR.

We performed walk-throughs of the quality checking processes identified in the written procedures for the SIF, SIFD, IRD and EA files by reviewing supporting documentation contained within the internal data request system and emails between the OIPR, data owners and the BOG. In addition, we tested the timeliness of submission by reviewing the eight most recent submissions and noted that all eight were submitted in a timely manner pursuant to the BOG’s schedule. Two submissions were rejected by the BOG and resubmitted in a reasonable time frame.

While we observed that quality control review procedures were performed by OIPR to ensure the completeness, accuracy and timeliness of submissions, Comment 1 describes an opportunity to improve quality control documentation and to better demonstrate the university has followed specific quality control procedures before submitting information to the BOG.

DATA OWNERS

To understand the requirements for complete and accurate submissions, we reviewed the SUDS Data Dictionary, documentation from SUS data workshops, and BOG Methodology and Procedures applicable to the PBF submissions. The BOG issues annual notices communicating updates on how they want institutions to report certain data based on the SUS data workshops. Depending on the changes, the university had to modify program code as deemed necessary. An example of a BOG change might be a requirement that budget carryforward be included in the calculations where it was not included in previous years.

After gaining an understanding of the submission requirements, we interviewed management for each data owner and reviewed their key procedures for the extraction, compilation, and review of their data to ensure completeness and accuracy of the submission. We performed walk-throughs of key processes, including review of data validation processes, program code, change controls, analytics, and tests of transactions to source data. The following is a summary of our review and conclusions for each data owner.
Office of University Registrar (OUR)

The Student Records System is the authoritative system of record (master data) for the SIF, SIFP, and SIFD. These submissions involve multiple metrics involving graduation, retention, academic progress, and information regarding the programs of strategic emphasis (STEM programs).

The OUR had developed automated quality control checks that determined whether the data was within the BOG-expected parameters and allowed them to review the student data on a daily basis and make corrections as necessary prior to the SUDS submission. The student records were provided to OIPR every night. OIPR used this data to develop a daily enrollment tracking system used by administrators across campus. These procedures provided a daily basis of review and communication of student information so that corrections could be identified and made in a timely manner.

The controls for program change management were in place for both Production scheduled jobs and the Ad Hoc generated reports. Access controls over production libraries were limited to those who were authorized to make changes. A submissions log was used that identified the initiator for an upload. These compensating controls also helped to limit to an acceptable level the risk of an improper submission and maintained accountability for changes and submissions.

We tested student records by randomly selecting 100 records from the SIF and SIFD Fall 2014 submissions and tracing them to the system of record to verify the accuracy of key elements identified in the BOG Methodology and Procedures. We found no exceptions for the sampled data elements.

We found that the IT controls identified for the procedures used to create the OUR’s SUDS upload files were generally adequate. Controls were in place to verify the accuracy of data and process repeatability and consistency. Collectively, those controls helped to ensure data accuracy and completeness, as well as timely operation for creating the load files.

The core office also had good automated and continuous monitoring procedures as well as separate layering of reviews to help assure the student data was accurate. We observed written policies and procedures, conscientious staff, and adequate quality control procedures prior to the final review by the DA.

Office of Admissions (Admissions)

Admissions was responsible for application servicing for all levels of student entry into the university including beginning freshmen, transfers, graduate students, students applying to professional school programs, and international recruitment strategies.

We performed a walk-through of controls at Admissions including edit processes, error correction, and data extraction and upload processes. Written procedures did not exist for the review process and key steps in the process were not always documented.

The IT controls identified for the procedures used to create the Admissions SUDS upload file were generally adequate. Control procedures were in place to verify the accuracy of data and process repeatability and
consistency. Collectively, those controls helped to ensure data accuracy and completeness, as well as timely operation for creating the load files.

Program change management controls were limited to an Ad Hoc nature, where a copy of program code and files were kept from year to year. Although review and approval of program code changes prior to running the program would be in line with industry standards, the Ad Hoc nature of the program code development did not require a formal production change management process. The use of access controls over production libraries limited those who can make changes. A submissions log was used to identify the initiator for an upload. These compensating controls helped limit to an acceptable level the risk of an improper upload and maintained accountability for changes and submissions.

The BOG Overview of Methodology and Procedures for Metrics identified that personal demographics from the Admissions file were used for graduation data needed for Metrics 1 and 2. Upon further review and discussion with the BOG, it was determined that this information was incorrect and that the graduation data originated from the SIFD file that was evaluated in our review of the Office of the Registrar submissions. As a result we did not perform any detailed testing of the Admissions data.

**Student Financial Affairs (SFA)**

The primary role of SFA is to provide financial resources to students who would otherwise be unable to receive post-secondary education. PBF Metric 7, University Access Rate, was defined as the percentage of undergraduates with Pell grants. SFA was responsible for compiling this information used in the SFA file submission.

Our audit procedures included a review of the extraction process and the program code. We re-performed the data extraction for Fall 2013 and found that the test data was consistent with the original submission.

We tested awards by judgmentally selecting 30 students receiving Pell grants from the source file. The awards were traced to the system of record to verify the accuracy of key elements identified in the BOG Methodology and Procedures. Our test results indicated that the award payment, term and award identifier in the submission was in agreement with the student’s award screens.

Audit results indicate that procedures in place to create the SFA upload file were generally adequate. Functional controls were in place for the data owner to verify the accuracy of data. Collectively, those controls helped to ensure data accuracy, completeness, as well as timely operation for creating the load files.

**Chief Financial Officer (CFO)**

The PBF Metric 3, Average cost Per Bachelor’s Degree, was based on direct and indirect instructional expenditures. The BOG calculated the average cost from the data included in the IRD, EA and OB files.

The Assistant Vice President of University Budgets (AVP) reports to the CFO and has been charged with compiling the OB file. The CFO, with the assistance of Enterprise Systems (ES), creates the OB file by
running programs that combine files and information from the general ledger. Prior to the build of the submission file, the AVP runs queries from myUFL to better categorize benefit plan expenditures, risk management insurance, and financial aid to meet the BOG’s requirements.

We performed a walk-through of controls at the IT and data owner level including edit processes, error correction, and data extraction and upload processes. We observed that control procedures were in place to verify the data accuracy, program change management, and reporting consistency. Collectively, those controls helped to ensure data accuracy and completeness, as well as timely operation for creating the load files.

We selected the risk management/student financial aid and fringe benefit expenses for review because these expenses had an impact on the average cost of a bachelor’s degree. We traced key elements, identified in the BOG Overview of Methodology and Procedures for Metrics, from the supporting worksheets to the 2013-2014 OB file submission and the general ledger. We also reviewed calculations to determine their appropriateness and agreement with internal written procedures and BOG guidelines including the SUDS Data Dictionary. The worksheet formulas we reviewed were logical and error free. Our testing of OB file elements resulted in no errors.

Overall, the procedures were detailed enough to allow us to re-perform the data owner’s calculations. The AVP’s procedures and IT controls in place to compile the OB file data were generally adequate.

**Office of Institutional Planning and Research (OIPR)**

The OIPR was also directly involved with PBF Metric 3, Average cost Per Bachelor’s Degree and Metrics 6 and 8a involving programs of strategic emphasis. Metric 3 included information derived from the Effort Reporting System. Metrics 6 and 8a included information from Classification and Instruction tables (CIP Codes). OIPR had a role in assigning CIP codes in collaboration with other academic administrators through the Academic Approval Process, and acted as a data owner because they were responsible for compiling and adding this information to the IRD or the EA file submissions.

The IRD files were created by programs developed by ES. The OIPR’s role was to ensure that the Effort Reporting System data was complete prior to the IRD file creation. For example, the Effort Reporting System has edits to ensure that faculty time percentages sum to 100%. If this requirement was not met, then there was an error message that had to be cleared.

We observed that the review by OIPR for completeness of the effort reporting was in place. The university also required certification by individuals of the reported amounts for time spent on course instruction, which helped to validate the accuracy of reported instructional effort.

To test the accuracy of the reported workload, we randomly selected 20 instructors from the IRD workload activities file and traced their reported effort into their certified effort report. Overall, the IRD file elements matched the effort reports.
The SUDS system generates an EA file from the OB and IRD data. The EA file is downloaded and additional programming was used to add the CIP codes to the records on the file. We analyzed the distribution of CIP codes by College and Department using the EA file from OIPR that was submitted for 2012. Generally, the program code reasonably selected the correct CIP code based on the college and department code. Distribution of the CIP code over academic and nonacademic departments was reasonable.

The IT controls observed and identified for the procedures used to create the EA file were generally adequate. Control procedures were in place to verify the accuracy of data, program change management, and data extraction repeatability and consistency. Collectively, those controls helped to ensure data accuracy, completeness, as well as timely operation for creating the load files. The OIPR was in the process of recoding and modernizing their data conversion programs.

Overall the processes for the extraction and compilation of the data in the IRD and EA files were generally adequate. While we observed that the OIPR had quality control review procedures in place, improvement opportunities to enhance the documentation of these reviews and procedures is discussed in Comment 1.

Cost Analysis

The PBF Metric 10f, Total Research Expenditures, was an institutional specific metric selected by the University of Florida BOT. The BOG obtains this information directly from the National Science Foundation’s annual Higher Education Research and Development Survey (HERD).

Cost Analysis was responsible for responding to the NSF HERD survey and had developed queries using general ledger data to identify all university research-related expenses. Tables between general ledger and the research award system were combined to identify funds, program codes, expense accounts and award codes. Award codes were assigned by the Office of Research when recording the award. Cost Analysis ran a query that pulled the award codes from the award system and matched the award data to general ledger queries through Access programs to identify research expenditures for the year reported. Prior to running the queries, Cost Analysis staff reviewed the HERD instructions for any changes as well as the university’s system for new data sources, funds, or program codes. They also met with the Office of Research to discuss the current year reporting.

We reviewed the queries and Access programs. We noted all the program codes were used in the specific funds for research-related expenditures (funds 201 and 209) and only program codes 2xxx (research-related expenses) for all other funds. Based on our audit results, we concluded that the programs and queries were reasonable and properly written to extract the correct information for direct and indirect research related expenses.

We judgmentally selected the 2013 HERD survey and traced amounts reported for funds 201 and 103 to the source queries and Access programs. Based on our review of written procedures and testing, we concluded that the procedures used to report amounts in the HERD survey used by the BOG were generally adequate.
GENERAL COMMENTS

SUDS Submission Certification

BOG Regulation 3.007(5)(b) requires the DA to submit a signed certification including the statement “I certify that this file/data represents the position of this University for the term being reported.” The regulation further indicates that an electronic certification via a secure method approved by the IRM office can be substituted for the signed certification.

At the time of our audit there was no written certification that accompanied the electronic submission process in SUDS. The old form had not been used since the electronic SUDS system was implemented, and there was no alternate method of certification approved by the IRM office. We observed the SUDS user guidelines did not mention any certification requirements, written or electronic. The BOG was notified and, in January 2015, implemented an electronic certification statement on the submission screen.

Resubmissions

BOG Regulation 3.007(5)(c) requires that the DA shall prepare and submit a revised data file within the time period specified by the SUS DA, in the event of a rejection of a data file. Resubmissions are typically an iterative process between the BOG, the DA and the data owners to correct data errors found in the SUDS edit process. Resubmissions may also be necessary in the event the university finds errors in its reporting system or the BOG does not agree with the comments on errors identified in the SUDS review process. Reloading the file cannot occur until the BOG approves the resubmission.

We reviewed the DA’s data resubmissions to the BOG to ensure these resubmissions were both necessary, authorized, and were not indicative of any inherent problems in the submission process. The DA provided all resubmissions for the past three years because this information was not available directly from the BOG.

Based on the results of our review, resubmissions initiated by the DA were limited and did not appear to indicate any inherent problems with the data submission process. Development of the university’s new effort system caused some issues with the IRD and EA submissions. Other resubmissions of SIF files were due to limited errors. The need for the resubmissions at the university did not appear to be a systematic problem and most consisted of individual data changes that would have little impact on the PBF metrics.

SUDS System Access Control

Data upload and submissions to the BOG were performed through a secure website. The DA was assigned the role by the BOG System Administrator. The DA role was the highest level assignable at the institution and was assigned to only one individual at each SUS institution.

The DA and five other OIPR staff were the only individuals authorized to process submissions. In addition, the DA and two OIPR staff were the only individuals with the ability to create end-user roles and grant access to those that will process their data. Users were also restricted to the submissions they have been
authorized by the DA to act upon. Any user could also be designated as a Security Manager, which allowed
the user to change passwords and add other users.

We reviewed the processes over role request, assignment and monitoring for the SUDS system access. We also performed a test of system access controls and/or user privileges to determine if only appropriate employees had access or needed the user privileges. In addition, we reviewed university roles assigned to the OIPR staff specifically associated with the general ledger and student data system. Our review noted no conflicting roles for those areas.

Of the 49 people who had SUDS user roles, five employees had terminated employment with the university and their access was not removed in a timely manner. Comment 2 describes enhancements implemented over the request and monitoring of SUDS security access.

**Actions Planned**

Action plans identified and agreed to by management and the audit team are included within the Comments section of this report together with action due dates that will be subject to follow-up reviews.

**General Comment**

We wish to express our appreciation to the management and staff of the Office of Institutional Planning and Research, the Office of the Vice President and Chief Financial Officer, Enterprise Systems, the Office of the University Registrar, the Office of Admissions, the Office for Student Financial Affairs, and Cost Analysis for the courtesy and cooperation extended to us during this review.

Audit Supervised by: Joe Cannella

Audit Conducted by: Craig Reed
                Jeff Capehart
                Lily Reinhart
                Emmy Kahn
                Brandon Esposito
Comment 1 – Documentation for Review Processes

BOG Regulation 3.007 states the SUS universities shall provide accurate data to a management information system established and maintained by the BOG Office. Each university president shall appoint an Institutional Data Administrator (DA) to certify and manage the submission of data to the SUS management information system (SUDS). The regulation further states that the DA shall certify that the file/data represents the position of the university for the term being reported.

The integrity of the data provided to the BOG by the universities is critical to the performance based funding (PBF) decision-making process. Therefore, the BOG developed a Performance Based Funding Data Integrity Certification to be signed by the President and the Board of Trustee Chair. The purpose of this Certification is to provide assurances that the data submitted to the BOG for PBF decision-making is reliable, accurate, and complete.

Criteria

The university should establish processes to promote the completeness, accuracy and timeliness of data submissions to the BOG in support of the PBF metrics. The performance of these processes should be documented to reasonably demonstrate due diligence to ascertain the accuracy of the data submitted.

Condition

Data owners prepare/extract required information and review the data for accuracy and format correctness. The information is uploaded into SUDS and any significant exceptions are resolved. The data owners then communicate to the DA that the file is ready for review and submission to the BOG.

The DA is the director of the Office of Institutional Planning and Research (OIPR), and is responsible for the submission of data to the BOG. The OIPR had developed written procedures for each submission report. The written procedures defined the name of the collection/file, requestor, OIPR staff assignments, data owners, reporting cycles, and person responsible to approve the submission. Segments of the written procedures also might include information on the following:

- Work initiation: Scheduling requests, changes in files, system access, entry in the data request system (DRS), file storage protocols, and contacts.
- Work in progress: Key dates, lead review, clarification of issues with BOG, and monitoring procedures.
- Quality checking:
  - The OIPR staff and institutional data owners check the data for transformations, program logic, formula format, comparison of historic data, methods to measure key variables, running of programs (SAS, SQL) to compare data from the systems to the data owner’s load in SUDS, SUDS edit checks, variance analysis, and comparison to outside data sources.
The OIPR staff and DA perform a final review by comparing historical and independent data sources, determining that the product fully completes the data request, confirming ready for release, obtains institutional signoff, and signs off and locks the file.

- Data release: The DA or designee formally submits the file through SUDS, updates the DRS and communicates to data owners.

Each of the procedural segments had clear instructions on scheduling, review, and submission processes.

We performed a walk-through of the operational procedures for the student information files (SIFD and SIF), the institutional and research data file (IRD), and the expenditure analysis file (EA) submissions with the responsible OIPR staff. We also reviewed the written procedures, SUDS submission summaries, information contained in the DRS, and emails between the BOG, data owner, and other OIPR staff.

We made the following observations:

- The OIPR staff has been delegated specific submission files based on their prior experience and knowledge of the data.
- The OIPR written procedures indicated that at least two individuals would review the submission files.
- Calendars and email were used to document communication between the OIPR, the BOG and the data owners.
- The DRS system identified information on the request including key dates, notes on issues with data exceptions, and other significant communications.
- Error correction and comments in the SUDS submission summaries, based on the BOG edit programs, were properly monitored and supported.
- Staff had reviewed both the submission summaries and the automatically generated reports that were archived on the SUDS system.
- OIPR maintained some basic documentation for all work done on file submissions; however, detailed documentation was created and maintained only when the reviews identified items that needed resolution.

While quality control review procedures were performed by the OIPR and the data owners, it was not clear which specific steps or if all steps identified in the written procedures were completed by the OIPR staff, the DA, or the data owners. Documentation to support some key steps to verify data accuracy i.e. control totals, running of programs, and review of program logic, was not always retained.

**Cause**

The DA relied on the OIPR staff and institutional knowledge of the review process to complete the necessary procedures. The DA stated that she or senior staff also performed a secondary review prior to submission.
Written procedures were well documented but they were used more as guidelines instead of specific steps to clearly identify minimum review requirements. The OIPR management felt it would be difficult to specify which steps must be completed because this varied based on the condition of the data and the individual reviewer’s investigation and troubleshooting findings. The DA encouraged OIPR staff to be creative in identifying error patterns and issues in data.

When no problems were detected with a data submission, only basic documentation of the review was maintained. The focus was on the data review efficiency rather than documenting procedures performed because of the significant volume of submissions (approximately 740 per year).

**Effect**

Without full documentation for every case (including submissions with no errors) to demonstrate that specific due diligence review procedures were performed, the DA, Board of Trustees Chair, and the President may have limited basis to rely on the accuracy of the PBF submissions. In the event of inquiries from the President, the BOG or other external entities as to the extent of due diligence procedures performed, the university would have limited ability to provide documented evidence.

**Action Plan**  
**Due Date:** May 1, 2015

The OIPR and data owners will enhance documentation of their due diligence review for PBF submissions through the following:

- The OIPR will require and the data owner will include a certification statement with each data submission presented to OIPR for final review and submission. This certification statement will attest to the accuracy of the data submitted and will include positive assurance that OIPR’s expected due diligence data review procedures were performed.
- The OIPR and each data owner will maintain documentation of their due diligence review procedures performed in accordance with OIPR’s expectations.
- The OIPR DA will submit an annual report to the President summarizing the due diligence procedures performed to promote assurance that the submissions were timely, accurate and complete.
Comment 2 – SUDS System Access Control

Data uploads and submissions to the BOG were performed through a secure website. The review, upload, and submission processes were controlled through granting of roles in the SUDS system.

University data submission files include highly sensitive personal identifiers to establish the referential integrity of records across tables. When authorizing a user to process or have access to individual data submissions, the Security Manager shall take into consideration the legitimate educational or business need of the designated user to that information. The granting of authority on a particular submission is a function of the DA and serves as a constructive written authorization to access and transfer data.

Criteria

The DA should take reasonable measures to protect against any unauthorized access, transfer, disclosure or use of information contained in data submission files. SUDS roles should be properly assigned and periodically reviewed to ensure only those authorized users have access to the system.

Condition

The Director of OIPR, officially appointed as the DA for the University, was assigned the DA role through the BOG System Administrator.

- The Data Administrator role was the highest level assignable at the institution level and was assigned to only one individual at each SUS institution. A user with this role had the authority to create users for their institution. The DA was authorized to process all submissions and the role included the functionality of the Submitter, Uploader, Validator and Researcher roles.

- Submitter role was allowed to “officially” submit university files to the BOG. The Submitter role included the functionality of the Uploader, Validator, and Researcher roles. All five of the users assigned the Submitter role were OIPR staff.

- Uploader role was allowed to upload files for editing/review. The Uploader role included the functionality of the Validator and Researcher roles. There were 30 users with the Uploader role in various units across campus.

- Validator role was allowed to review the edit reports for submissions that had already been uploaded and edited. The user was able to enter explanations and comments as well. The Validator role included the functionality of the Researcher role. There were 14 users in various units assigned the Validator role.

- Researcher role was designed to be given to university researchers who want to do studies with system data and needed access to the reporting view. A user with the Researcher role would not be able to log in to the Master File Submission System. There was only one researcher role assigned.

Security Manager was not a role, but instead was an attribute that could be assigned to any user. Security Managers were the only users that would have access to the ADMIN tab on the home page. The DA or the Security Manager designation would allow that
person the ability to create and modify users as well as reset passwords. The DA limited the use of the Security Manager attribute to two individuals: the Assistant Director and the Policies and Planning Analyst, both at OIPR.

We reviewed the processes over role request, assignment and monitoring for the SUDS system access by interviewing management, reviewing procedures, and performing tests of access.

When access is needed by a department, the established procedure was to contact the DA. Roles were granted based on the submissions at the data owners’ level and IT staff responsible for the extraction process. Users could be given access to all submissions or a select number of submissions based on the staff member’s responsibilities.

We observed the following:

- Role approval was controlled through the DA.
- The Submitter role was granted only to OIPR staff, appropriately limiting the authority to submit on behalf of the university.
- The Security Manager attribute was granted only to two OIPR staff, appropriately limiting the ability to create other users.
- Validator and Uploader roles were granted to multiple data owners which allowed for continuity of operations.
- The SUDS system captured the history of changes to the uploaded files (user, date, and time), and this limited the ability to change data without being noticed throughout the review process.

We also noted:

- There were no written policies or procedures over the role approval and monitoring process.
- There was a lack of documentation for the request and approval of roles, including the date access was added or deleted. Requests were typically through email by the supervising data owner or by phone.
- The OIPR relied on communication from the supervisor at the core offices for requesting removal of roles.

We performed a test of system access controls and/or user privileges to determine if only appropriate employees had access or needed the privilege. Of the forty-nine people who had SUDS user roles, six employees with uploader and validator roles had terminated employment with the university. The SUDS roles were not removed for five of them in a timely manner.

OIPR relied on communication from core offices to remove access. Other processes were not in place to adequately monitor access.
Improper access to the SUDS system may allow inappropriate access to sensitive information and/or affect the accuracy of data in SUDS.

**Effect**

Written policies were developed to better define the SUDS role request and approval process as well as monthly monitoring procedures for SUDS roles.

A standard request form has been implemented to support request and approval. The DA reviews and approves the request before access is granted.

A monthly monitoring process has been implemented by comparing the SUDS user list to a program that provides a snapshot of employee job assignments. Any changes in job assignments that might impact SUDS access will be questioned by OIPR staff.

**Action Taken:**

August 4, 2014
INSTRUCTIONS: Please respond “Yes,” “No” or “N/A” in the blocks below for each representation. Explain any “No” or “N/A” responses to ensure clarity of the representation and include copies of supporting documentation as attachment(s).

<table>
<thead>
<tr>
<th>Performance Based Funding Data Integrity Certification Representations</th>
<th>Yes</th>
<th>No</th>
<th>N/A</th>
<th>Comment / Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I am responsible for establishing and maintaining, and have established and maintained, effective internal controls and monitoring over my university’s collection and reporting of data submitted to the Board of Governors Office which will be used by the Board of Governors in Performance Based Funding decision-making.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>2. These internal controls and monitoring activities include, but are not limited to, reliable processes, controls, and procedures designed to ensure that data required in reports filed with my Board of Trustees and the Board of Governors are recorded, processed, summarized and reported in a manner which ensures its accuracy and completeness.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>3. In accordance with Board of Governors Regulation 1.001(3), my Board of Trustees has required that I maintain an effective information system to provide accurate, timely, and cost-effective information about the university, and shall require that all data and reporting requirements of the Board of Governors are met.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>4. In accordance with Board of Governors Regulation 3.007, my university shall provide accurate data to the Board of Governors Office.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
</tbody>
</table>
### Performance Based Funding Data Integrity Certification Form

#### Performance Based Funding Data Integrity Certification Representations

<table>
<thead>
<tr>
<th>Representations</th>
<th>Yes</th>
<th>No</th>
<th>N/A</th>
<th>Comment / Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. In accordance with Board of Governors Regulation 3.007, I have appointed a Data Administrator to certify and manage the submission of data to the Board of Governors Office.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. In accordance with Board of Governors Regulation 3.007, I have tasked my Data Administrator to ensure the data file (prior to submission) is consistent with the criteria established by the Board of Governors Data Committee. The due diligence includes performing tests on the file using applications/processes provided by the Board of Governors Information Resource Management (IRM) office.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>7. When critical errors have been identified, through the processes identified in item #6, a written explanation of the critical errors was included with the file submission.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. In accordance with Board of Governors Regulation 3.007, my Data Administrator has submitted data files to the Board of Governors Office in accordance with the specified schedule.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. In accordance with Board of Governors Regulation 3.007, for each data file submission, my Data Administrator provided a certification indicating, “I certify that this file/data represents the position of this University for the term being reported.”</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. I am responsible for taking timely and appropriate preventive/corrective actions for deficiencies noted through reviews, audits, and investigations.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. I recognize that the Board’s Performance Based Funding initiative will drive university policy on a wide range of university operations – from admissions through graduation. I certify that university policy changes and decisions impacting this initiative have been made to bring the university’s operations and practices in line with State</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
I certify that all information provided as part of the Board of Governors Performance Based Funding Data Integrity Certification is true and correct to the best of my knowledge; and I understand that any unsubstantiated, false, misleading or withheld information relating to these statements render this certification void. My signature below acknowledges that I have read and understand these statements. I certify that this information will be reported to the board of trustees and the Board of Governors.

Certification: _______________________________ Date ______________________________

President

I certify that this Board of Governors Performance Based Funding Data Integrity Certification has been approved by the university board of trustees and is true and correct to the best of my knowledge.

Certification: _______________________________ Date ______________________________

Board of Trustees Chair
<table>
<thead>
<tr>
<th>METRIC</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Percent of Bachelor's Graduates Employed Full-time in Florida or Continuing their Education in the U.S. One Year After Graduation</td>
</tr>
<tr>
<td>2. Median Wages of Bachelor's Graduates Employed Full-time in Florida One Year After Graduation</td>
</tr>
<tr>
<td>3. Average Cost per Bachelor's Degree Instructional costs to the university</td>
</tr>
<tr>
<td>4. Six Year FTIC Graduation Rate</td>
</tr>
<tr>
<td>5. Academic Progress Rate 2nd Year Retention with GPA Above 2.0</td>
</tr>
</tbody>
</table>

**METRIC**

1. **Percent of Bachelor's Graduates Employed Full-time in Florida or Continuing their Education in the U.S. One Year After Graduation**
   - This metric is based on the percentage of a graduating class of bachelor's degree recipients who are employed full-time in Florida or continuing their education somewhere in the United States. Students who do not have valid social security numbers are excluded.
   - Note: Board staff have been in discussions with the Department of Economic Opportunity staff about the possibility of adding non-Florida employment data (from Wage Record Interchange System (WRIS2) to this metric for future evaluation.
   - Sources: State University Database System (SUDS), Florida Education & Training Placement Information Program (FETPIP), National Student Clearinghouse.

2. **Median Wages of Bachelor's Graduates Employed Full-time in Florida One Year After Graduation**
   - This metric is based on annualized Unemployment Insurance (UI) wage data from the fourth fiscal quarter after graduation for bachelor's recipients. UI wage data does not include individuals who are self-employed, employed out of state, employed by the military or federal government, those without a valid social security number, or making less than minimum wage.
   - Sources: State University Database System (SUDS), Florida Education & Training Placement Information Program (FETPIP), National Student Clearinghouse.

3. **Average Cost per Bachelor's Degree Instructional costs to the university**
   - For each of the last four years of data, the annual total undergraduate instructional expenditures were divided by the total fundable student credit hours to create a cost per credit hour for each year. This cost per credit hour was then multiplied by 30 credit hours to derive an average annual cost. The average annual cost for each of the four years was summed to provide an average cost per degree for a baccalaureate degree that requires 120 credit hours.
   - Sources: State University Database System (SUDS), Expenditure Analysis: Report IV (2009-10 through 2012-13).

4. **Six Year FTIC Graduation Rate**
   - This metric is based on the percentage of first-time-in-college (FTIC) students who started in the Fall (or summer continuing to Fall) term and had graduated from the same institution within six years. Students of degree programs longer than four years (e.g., PharmD) are included in the cohorts. Students who are active duty military are not included in the data.
   - Source: State University Database System (SUDS).

5. **Academic Progress Rate 2nd Year Retention with GPA Above 2.0**
   - This metric is based on the percentage of first-time-in-college (FTIC) students who started in the Fall (or summer continuing to Fall) term and were enrolled full-time in their first semester and were still enrolled in the same institution during the Fall term following their first year with a grade point average (GPA) of at least 2.0 at the end of their first year (Fall, Spring, Summer).
   - Source: State University Database System (SUDS).
# METRICS COMMON TO ALL UNIVERSITIES

<table>
<thead>
<tr>
<th>METRIC</th>
<th>DEFINITION</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>6 Bachelor's Degrees Awarded within Programs of Strategic Emphasis</strong></td>
<td>This metric is based on the number of baccalaureate degrees awarded within the programs designated by the Board of Governors as ‘Programs of Strategic Emphasis’. A student who has multiple majors in the subset of targeted Classification of Instruction Program codes will be counted twice (i.e., double-majors are included). Source: State University Database System (SUDS).</td>
</tr>
<tr>
<td><strong>7 University Access Rate</strong></td>
<td>This metric is based the number of undergraduates, enrolled during the fall term, who received a Pell-grant during the fall term. Unclassified students, who are not eligible for Pell-grants, were excluded from this metric. Source: State University Database System (SUDS).</td>
</tr>
<tr>
<td><strong>8a Graduate Degrees Awarded within Programs of Strategic Emphasis</strong></td>
<td>This metric is based on the number of graduate degrees awarded within the programs designated by the Board of Governors as ‘Programs of Strategic Emphasis’. A student who has multiple majors in the subset of targeted Classification of Instruction Program codes will be counted twice (i.e., double-majors are included). Source: State University Database System (SUDS).</td>
</tr>
<tr>
<td><strong>8b Freshmen in Top 10% of High School Class</strong></td>
<td>Percent of all degree-seeking, first-time, first-year (freshman) students who had high school class rank within the top 10% of their graduating high school class. Source: New College of Florida.</td>
</tr>
<tr>
<td><strong>Note</strong>: NCF does not award graduate degrees.</td>
<td></td>
</tr>
<tr>
<td>METRIC</td>
<td>DEFINITION</td>
</tr>
<tr>
<td>---------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>9a Percent of Bachelor’s Degrees Without Excess Hours</td>
<td>Applies to: FAMU, FAU, FIU, FGCU, UCF, UNF, USF, UWF This metric is based on the percentage of baccalaureate degrees awarded within 110% of the credit hours required for a degree based on the Board of Governors Academic Program Inventory. Note: It is important to note that the statutory provisions of the “Excess Hour Surcharge” (1009.286, FS) have been modified several times by the Florida Legislature, resulting in a phased-in approach that has created three different cohorts of students with different requirements. The performance funding metric data is based on the latest statutory requirements that mandates 110% of required hours as the threshold. In accordance with statute, this metric excludes the following types of student credits (ie, accelerated mechanisms, remedial coursework, non-native credit hours that are not used toward the degree, non-native credit hours from failed, incomplete, withdrawn, or repeated courses, credit hours from internship programs, credit hours up to 10 foreign language credit hours for transfer students in Florida, and credit hours earned in military science courses that are part of the Reserve Officers’ Training Corps (ROTC) program). Source: State University Database System (SUDS).</td>
</tr>
<tr>
<td>9b Number of Faculty Awards</td>
<td>Applies to: UF, FSU This metric is based on the number of awards that faculty have earned in the arts, humanities, science, engineering and health fields as reported in the annual ‘Top American Research Universities’ report. Twenty-three of the most prominent awards are considered, including: Getty Scholars in Residence, Guggenheim Fellows, Howard Hughes Medical Institute Investigators, MacArthur Foundation Fellows, National Endowment for the Humanities (NEH) Fellows, National Medal of Science and National Medal of Technology, Robert Wood Johnson Policy Fellows, Sloan Research Fellows, Woodrow Wilson Fellows, to name a few awards. Source: Center for Measuring University Performance, Annual Report of the Top American Research Universities (TARU).</td>
</tr>
<tr>
<td>9c National Ranking for Institutional &amp; Program Achievements</td>
<td>Applies to: NCF This metric is based on the number of Top 50 university rankings that NCF earned from the following list of publications: US News and World Report, Forbes, Kiplinger, Washington Monthly, Center for Measuring University Performance, Times Higher Education World University Rankings, QS World University Ranking, and the Academic Ranking of World Universities. Source: Board of Governors staff review.</td>
</tr>
</tbody>
</table>
## INSTITUTION SPECIFIC METRICS
### SELECTED BY EACH UNIVERSITY’S BOARD OF TRUSTEES

<table>
<thead>
<tr>
<th>Metric</th>
<th>Description</th>
<th>University(s)</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>10a</td>
<td>Percent of R&amp;D Expenditures Funded from External Sources</td>
<td>FAMU</td>
<td>National Science Foundation annual survey of Higher Education Research and Development (HERD).</td>
</tr>
<tr>
<td>10b</td>
<td>Bachelor’s Degrees Awarded to Minorities</td>
<td>FAU, FGCU, FIU</td>
<td>State University Database System (SUDS).</td>
</tr>
<tr>
<td>10d</td>
<td>Percent of Undergraduate Seniors Participating in a Research Course</td>
<td>NCF</td>
<td>New College of Florida.</td>
</tr>
<tr>
<td>10e</td>
<td>Number of Bachelor Degrees Awarded Annually</td>
<td>UCF</td>
<td>State University Database System (SUDS).</td>
</tr>
<tr>
<td>10f</td>
<td>Total Research Expenditures</td>
<td>UF</td>
<td>National Science Foundation annual survey of Higher Education Research and Development (HERD).</td>
</tr>
<tr>
<td>10g</td>
<td>Percent of Course Sections Offered via Distance and Blended Learning</td>
<td>UNF</td>
<td>State University Database System (SUDS).</td>
</tr>
<tr>
<td>10h</td>
<td>Number of Postdoctoral Appointees</td>
<td>USF</td>
<td>National Science Foundation/National Institutes of Health annual Survey of Graduate Students and Postdoctorates in Science and Engineering (GSS).</td>
</tr>
<tr>
<td>10i</td>
<td>Percentage of Adult</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**
- This metric reports the amount of research expenditures that was funded from federal, private industry and other (non-state and non-institutional) sources.
- This metric is the number, or percentage, of baccalaureate degrees granted in an academic year to Non-Hispanic Black and Hispanic students. This metric does not include students classified as Non-Resident Alien or students with a missing race code.
- This metric is based on the percentage of undergraduate seniors who participate in a research course during their senior year.
- This metric is based on the percentage of course sections classified as having at least 50% of the instruction delivered using some form of technology, when the student and instructor are separated by time or space, or both.
- This metric is based on the number of post-doctoral appointees at the beginning of the academic year. A postdoctoral researcher has recently earned a doctoral (or foreign equivalent) degree and has a temporary paid appointment to focus on specialized research/scholarship under the supervision of a senior scholar.
| **Undergraduates Enrolled** | fall term) who are at least 25 years old at the time of admission. This includes undergraduates who are not degree-seeking, or unclassified.  
*Applies to: UWF*  
*Source: State University Database System (SUDS).* |
## Performance Funding Model

### University of Florida

### Excellence Improvement Final Score

<table>
<thead>
<tr>
<th>Key Metrics Common to All Universities Plus 2 Institution Specific Metrics</th>
<th>Data</th>
<th>Points</th>
<th>Data</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent of Bachelor’s Graduates Employed and/or Continuing their Education Further 1 Yr after Graduation</td>
<td>63%</td>
<td>2</td>
<td>0%</td>
<td>0</td>
</tr>
<tr>
<td>Median Average Full-time Wages of Undergraduates Employed in Florida 1 Yr after Graduation</td>
<td>$33,100</td>
<td>3</td>
<td>6%</td>
<td>5</td>
</tr>
<tr>
<td>Average Cost per Undergraduate Degree to the Institution</td>
<td>$24,940</td>
<td>3</td>
<td>0%</td>
<td>0</td>
</tr>
</tbody>
</table>
| Six Year Graduation Rate  
  *Full-time and Part-time FTIC*                                                | 86%    | 5      | 1%     | 1      |
| Academic Progress Rate  
  2nd Year Retention with GPA Above 2.0                                         | 96%    | 5      | 1%     | 1      |
| Bachelor’s Degrees Awarded in Areas of Strategic Emphasis  
  (includes STEM)                                                              | 47%    | 4      | 1%     | 1      |
| University Access Rate  
  Percent of Undergraduates with a Pell-grant                                     | 32%    | 5      | 0%     | 0      |
| Graduate Degrees Awarded in Areas of Strategic Emphasis  
  (includes STEM)                                                              | 59%    | 5      | 2%     | 2      |

<table>
<thead>
<tr>
<th>Institution-Specific Metrics</th>
<th>Data</th>
<th>Points</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Faculty Awards</td>
<td>18</td>
<td>3</td>
<td>-4</td>
<td>0</td>
</tr>
<tr>
<td>Total Research Expenditures</td>
<td>$697 Million</td>
<td>5</td>
<td>-$43 Million</td>
<td>0</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td></td>
<td>42</td>
</tr>
</tbody>
</table>
Overview of the University SUDS Submission Data & Process Flows

**PROCESS OUTLINE**

1. **Begin**
2. Data Extraction
   - Data Transformation and File Creation
   - Data Load into SUDS
3. Review Summary Reports
   - Errors?
     - NO
       - End
     - YES
       - Data Correction
       - File Load into SUDS
       - Review Summary Reports
4. Analytical Review
   - Accurate & Complete?
     - YES
       - Submit File to BOG
       - Accept?
         - YES
           - End
         - NO
           - BOG Review
           - Re-Submission
     - NO
       - Data Correction
6. End

**FILE SUBMISSION BY DATA OWNER**

<table>
<thead>
<tr>
<th>Data Source</th>
<th>File</th>
<th>IT Group</th>
<th>Data Owner</th>
<th>Data Administrator</th>
</tr>
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<tbody>
<tr>
<td>Financial Aid Awards</td>
<td>SFA</td>
<td>Office of SFA – Systems Group</td>
<td>Office of Student Financial Aid</td>
<td>OIPR</td>
</tr>
<tr>
<td>Student Records System</td>
<td>SIFP, SIF, SIFD</td>
<td>ADM</td>
<td>Office of the University Registrar</td>
<td></td>
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<tr>
<td>Admissions Application</td>
<td>ADM</td>
<td>UFIT – Enterprise Systems</td>
<td>Office of Admissions</td>
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</tr>
<tr>
<td>myUFL Financials General Ledger</td>
<td>IRD, OB</td>
<td>IRD</td>
<td>Chief Financial Officer</td>
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<tr>
<td>BOG Expenditure Analysis Extract</td>
<td>EA</td>
<td>OIPR Data Analysts</td>
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</tr>
</tbody>
</table>

Page 57/151
February 9, 2015

Board of Trustees Audit Committee
Room 217
903 W University Avenue

Dear Committee Members:

I have reviewed the final draft copy of the Performance Based Funding - Data Integrity audit report dated February 5, 2015. I am in agreement with action plans contained therein.

I’d like to thank Brian Mikell and his team for their diligence and thoroughness in completing this required report.

Sincerely yours,

Joseph Glover
Provost
Chair, Jason J. Rosenberg called the meeting to order at 11:00 a.m. EDT.

Committee members present were:
Jason J. Rosenberg (Chair), David M. Thomas and C. David Brown, II. Trustees James W. Heavener, Carolyn K. Roberts, Susan M. Cameron and Steven M. Scott.

Other members present were:
Charles Lane, Senior Vice President and Chief Operating Officer; Michael McKee, Interim Vice President and Chief Financial Officer; Curtis Reynolds, Vice President for Business Affairs; Jamie Lewis Keith, Vice President, General Counsel and University Secretary; Sheri Austin, Assistant Vice President of University Budgets; Greg DuBois, Assistant Vice President for Finance and Planning; Brad Staats, Interim Assistant Vice President and University Controller; Linda Dixon, Director of Planning; Kevin Heinicka, Director of IFAS Facilities Planning and Operations; Eugene Herring, Director of Capital Programs; Robert Miller, Assistant Vice President for Business Affairs; Brad Bennett, Senior Associate Controller; TJ Villamil, Special Assistant to the President and Board Liaison.

After a roll call, a quorum was not confirmed, as Trustees, Heavener, Roberts, Cameron and Scott were absent. However, no action was to be taken so the Committee materials were reviewed.

The following action items were reviewed and will be considered at the Committee’s meeting during the regular Board meeting on December 4, 2014.
Action Item FF1: Approval of Amendments to 2014-15 Operating Budget of Revenues and Expenses (Sheri Austin)

At its meeting in June, 2014, the Committee approved the preliminary budget, which outlines the amount of money coming to UF in state appropriations, but not the breakdown of spending by units. Since that time, budgets have been completed and adjustments made, which are now reflected in the final document. The Committee will be asked to approve these amendments. There were no questions.

Action Item FF2: Approval of Amendments to the 2015-2016 Fixed Capital Outlay Legislative Budget Request (Curtis Reynolds)

In June, the committee was presented with a preliminary list of facilities identified for spending under the Fixed Capital Outlays Plan. Since then, the priority projects have been rearranged and this document reflects those changes.

In addition, the Board of Governors has indicated that there may be up to $5.1 million made available in Capital Improvement Trust Fund (CITF) funding. Meetings have been held to discuss which projects would be priorities for the CITF funding. As a result, more office/interview space has been added to the Career Resource Center as a possible priority.

With regard to operation and maintenance funds discussed at previous meetings, projects slated for funding have been reviewed and some modifications made, which are reflected in the current document.

Action Item FF3: Resolution R14-127-Amendment to R04-21, as amended by R10-69, as amended by R11-91, as amended by R12-103, as amended by R13-125 – University of Florida Depositories (Mike McKee)

Whenever there are new university bank accounts opened, or changes in personnel, BOT approval is needed to change the authorized signatories on those accounts. This action item changes signatories for Banca Intensa, confirms removal of former Vice President and Chief Financial Officer Matthew Fajack from signatory authority and adds authorized signatories to two new accounts: a Euro account and a money market fund account.

Action Item FF4: Campus Master Plan Update 2015-2025 (Curtis Reynolds)

The plan being presented represents a 5-10 year master plan for the campus, reflecting expected growth and future placement of buildings and conservation areas. Public forums on the master plan have been held and a public release of the plan is scheduled for December 16th. Another final public hearing is planned in conjunction with the June Board of Trustees meeting. Nothing in the plan is expected to impact the City of Gainesville’s or Alachua County’s planning.

Trustee Brown asked whether the University would be able to change aspects of the plan to meet changing circumstances or needs down the road, or if we would be held to the plan as laid out. Vice President Reynolds assured him that the University would not be restricted from making changes within the defined boundaries of campus and the envelope of development
provided. If something were to be done outside the property boundary or that exceeds the envelope that impacts the City or County, then there would have to be further discussion, study and process with the affected parties.

Trustee Brown emphasized that the University needs to have as much flexibility as possible in the plan moving forward.

The Committee will be asked for approval to release the plan to the public.

**Action Item FF5: Final Approval of Educational Plant Survey 2014-2019 (Curtis Reynolds)**
Under Florida statute, the University is required to do a survey of facilities every five years. The Committee approved the preliminary study at its June and September meetings, and will be asked to approve the final document at the December meeting.

**Action Item FF6: Naming: Thomas J. Walker Conservation Area**
The Finance and Facilities Committee is asked to approve the renaming of the Natural Teaching Lab Conservation Area to the “Thomas J. Walker Conservation Area”. A member of the University of Florida Foundation will be at the meeting to discuss the action item.

**Discussion/Informational items**
There are three items to be presented to the Committee for information purposes: a brief update on the state financial outlook, a construction update, and an update of investments by UFICO.

**Adjournment**
There being no further discussion, the meeting was adjourned at 11:30 a.m. EDT.
1.0 Verification of Quorum
After a roll call, a quorum was confirmed, with all members present.

2.0 Call to Order and Welcome
Committee Chair, Jason J. Rosenberg called the meeting to order at 12:35 p.m. EDT.

Members present were:
Jason J. Rosenberg, (Chair), C. David Brown, II, Susan M. Cameron, James W. Heavener, Carolyn K. Roberts, Steven M. Scott, David M. Thomas

Others present were:
Charles Lane, Senior Vice President and Chief Operating Officer; Jamie Lewis Keith, Vice President, General Counsel and University Secretary; Curtis Reynolds, Vice President for Business Affairs; Michael McKee, Interim Vice President and Chief Financial Officer; Zina Evans, Vice President for Enrollment Management; David Kratzer, Vice President for Student Affairs; Thomas Mitchell, Vice President for Development and Alumni Affairs; Janine Sikes, Assistant Vice President for Media Relations and Public Affairs; Melissa Orth, Senior Director, Government Relations; Susan Goffman, Director of Legal Services (University of Florida Foundation, Inc.); Sheri Austin, Assistant Vice President and Director, University Budgets; Amy Hass, Associate Vice President and Deputy General Counsel.

3.0 Review and Approval of Minutes
The Committee Chair asked for a motion to approve the minutes of the September 5, 2014 committee meeting, which was made by Trustee Brown and Seconded by Trustee Thomas. The Chair asked for further discussion, after which he asked for all in favor of the motion and any opposed and the motion was approved unanimously.
The Committee considered the following Action Items:

4.0 Action Items

FF1. Approval of Amendments to 2014-15 Budget of Revenues and Expenses
Interim Vice President and Chief Financial Officer, Michael McKee, noted that the process needed to approve the budget had been previously discussed at the pre-BOT-meeting conference call. The Committee had already approved the preliminary budget, and this amended document lays out the breakdown of spending by units within the University.

Committee Chair Rosenberg asked for a motion to approve Action Item FF1 which was made by Trustee Thomas and Seconded by Trustee Brown for recommendation to the Board for its approval on the Consent Agenda. The Chair asked for further discussion, of which there was none. The Chair then asked for all in favor of the motion and any opposed, and the motion was approved unanimously.

FF2. Approval of Amendments to the 2015-2016 Fixed Capital Outlay Legislative Budget Request
At its meeting in June, the Committee was presented with the Fixed Capital Outlay project prioritization. Curtis Reynolds, Vice President for Business Affairs, noted that the priority projects have been rearranged due to a recent Board Of Governors (BOG) Facilities Workshop held in October and this document reflects those changes.

The reprioritization consisted of moving higher on the priority list the following projects: Nuclear Science Building, Norman Hall, the IFAS academic building, and the Dental Science building.

Additionally, the BOG has indicated that Capital Improvement Trust Fund monies are likely available for FY15-16. The UF CITF Committee convened and identified its priority as renovation/expansion of the Career Resource Center.

Vice President Reynolds noted a final amendment to the list of projects requiring Legislative Authority to construct, as projects requiring state Operation & Maintenance funds: the O’Connell Center renovation and additions, the Office of Student Life remodeling, the Ear, Nose and Throat and Ophthalmology building, and the UF surplus property warehouse.

Committee Chair Rosenberg asked for a motion to approve Action Item FF2, which was made by Trustee Thomas and Seconded by Trustee Roberts for recommendation to the Board for its approval on the Consent Agenda. The Chair asked for further discussion, of which there was none. The Chair then asked for all in favor of the motion and any opposed, and the motion was approved unanimously.
Resolution R14-127-Amendment to R04-21, as amended by R10-69, as amended by R11-91, as amended by R12-103, as amended by R13-125 – University of Florida Depositories

Michael McKee, Interim Vice President and Chief Financial Officer, described the statutory requirement for Board of Trustees’ approval by resolution of updates of the authorized signatories, and their position titles, for any University disbursements or transfers.

Committee Chair Rosenberg asked for a motion to approve Action Item FF3, which was made by Trustee Thomas and Seconded by Trustee Heavener for recommendation to the Board for its approval on the Consent Agenda. The Chair asked for further discussion, of which there was none. The Chair then asked for all in favor of the motion and any opposed, and the motion was approved unanimously.

Campus Master Plan Update 2015-2025

Linda Dixon, Associate Director, Facilities, Planning and Construction, outlined the results of work done to date on a new campus master plan designed to establish a strategic plan for campus growth and land use decisions. The current plan expires at the end of 2015 and she emphasized that the plan being put forward still offers the university flexibility in its planning and facility use. Public forums have been held and this plan is scheduled for public release on December 16, 2014. The Committee was be asked for approval to release the plan to the public.

There was a suggestion that consultants could be used to help us understand what models and innovations may be in use at other universities and to explore what UF’s land use needs might be 50 years from now.

Curtis Reynolds, Vice President Business Affairs, agreed to explore what other universities are doing and what consulting firms can offer in assistance, and will present those findings to the Committee at the March 2015 meeting.

Chair Rosenberg also suggested that the Committee on Strategic Initiatives be included in any future discussions of proposals and ideas, and that perhaps a joint meeting on this subject could be held in future. Ms. Keith noted that the External Relations Committee and Strategic Initiatives Committee, together represent the full Board and often have a joint session to the end of their separate Committees’ meetings and this might provide an opportunity for a broader discussion if desired.

Committee Chair Rosenberg asked for a motion to approve Action Item FF4, which was made by Trustee Brown and Seconded by Trustee Thomas for recommendation to the Board for its approval on the Consent Agenda. The Chair asked for further discussion, of which there was none. The Chair then asked for all in favor of the motion and any opposed, and the motion was approved unanimously.
FF5. **Final Approval of Educational Plant Survey 2014-2019**

Under Florida statute, the University of Florida is required to do a survey of facilities every five years. The Committee approved the preliminary study at its June meeting, and was asked to approve the final document.

Committee Chair Rosenberg asked for a motion to approve Action Item FF5, which was made by Trustee Thomas and Seconded by Trustee Heavener for recommendation to the Board for its approval on the Consent Agenda. The Chair asked for further discussion, of which there was none. The Chair then asked for all in favor of the motion and any opposed, and the motion was approved unanimously.

FF6. **Naming: Thomas J. Walker Conservation Area**

The Finance and Facilities Committee was asked to approve the renaming of the Natural Area Teaching Lab to the “Thomas J. Walker Conservation Area” in recognition of the significant contributions by Dr. Thomas J. Walker.

Committee Chair Rosenberg asked for a motion to approve Action Item FF6, which was made by Trustee Heavener and Seconded by Trustee Roberts for recommendation to the Board for its approval. The Chair asked for further discussion, of which there was none. The Chair then asked for all in favor of the motion and any opposed and the motion was approved unanimously.

5.0 **Discussion/Informational Items**

5.1 **Update on State of Florida Financial Outlook**

Michael McKee, Interim Vice President and Chief Financial Officer, gave an update on the current state of the Florida economy. He noted that general revenues coming into the state are up more than estimated due to higher sales tax and documentary stamp tax collections. General revenues this year are expected to be around $27.2 billion. In the 2015-16 fiscal year, revenues are expected to be around $28.2 billion – up 3.9 percent over this year.

Mr. McKee referenced Chris McCarty, Director of the Bureau of Economic and Business Research, a well-respected center at UF, and noted that while the economy has improved it is not back to pre-recession levels. The current recovery is driven by education and health services, housing and tourism. The housing sector will likely not continue at its current pace and tourism tends to generate low income jobs, so the state will need to continue to develop a more diversified economy in terms of manufacturing, technology and other sectors.

5.2 **Construction/Maintenance Report**

Curtis Reynolds, Vice President for Business Affairs outlined the status of a number of projects currently underway at UF. These include the new Chemistry building (construction just started), the Reitz Union expansion (65 percent complete), Student Housing building (50 percent complete), Harrell Medical building (65 percent complete), Dasburg President’s house (85 percent complete) and Heavener Hall, which is now substantially complete.
Chair Rosenberg thanked Trustee Heavener for making Heavener Hall a reality through his support. He also thanked the UF Construction team for “translating Bill’s (Heavener’s) passion into reality.”

5.3 UFICO Update (Endowment report provided)
William Reeser was introduced as the new Chief Investment Officer and President of UFICO. Edward Kelly, Chief Operating Officer of UFICO, presented the quarterly performance report of the UF Foundation Endowment for the period ending September 30, 2014.

UFICO began the fiscal year with $1,511,974,000 in investments, which after new endowments, investment income, fees and expenses has risen to $1,520,575,000. Current performance shows that in the first quarter of this fiscal year, returns were up 1.2 percent, out-performing both the policy benchmark and the peer group median. Calendar year to date shows a 6.3 percent return, on par with the returns being seen by the peer group institutions.

6.0 New Business
Curtis Reynolds, Vice President Business Affairs, requested permission to discuss a new item not on the agenda. Vice President Reynolds indicated that the University of Florida is currently in negotiations with Duke Energy regarding renewal of the recently expired contract to provide the University of Florida with steam. Those negotiations are continuing but in light of the ongoing negotiations, and the advanced age (over 40 years old) of at least one boiler in the University of Florida energy plant, he told the committee that a special request for CIP funding will be submitted to the Board of Governors for a new boiler.

7.0 Adjournment
After asking for any further discussion and hearing none, Chair Rosenberg asked for a motion to adjourn. The motion was passed unanimously and the Finance and Facilities Committee meeting adjourned at 1:50 p.m. EDT.
Explanation of how UAA projects are consistent with University mission:

UAA- 34; Office of Student Life

The proposed project is a renovation and addition to the existing Farrior Hall Building, located in the historic heart of the main, University of Florida campus. The existing building currently serves both the University Athletic Association’s (UAA) Office of Student Life (OSL) and the College of Liberal Arts and Sciences (CLAS) Academic Advising Center (AAC). However, the existing building is inadequate in both size and infrastructure to serve University students requiring the services and support provided by these entities.

The Academic Advising Center provides undergraduate advising services for CLAS students, Exploratory students, Pre-Health and Pre-Law students, and other students interested in CLAS majors. It currently occupies the first and second floors of the existing Farrior Hall Building – leaving less than 12,000 square feet dedicated for use by the OSL. The proposed project includes renovation and reoccupation of the first and second floor of the existing building by the AAC and a renovation/reoccupation of the existing third floor by the OSL. In addition, 50,000 square feet of new construction will be added onto the existing building to provide the OSL with desperately needed space for programs and services that are currently inadequately covered or are simply not available due to lack of space.

The fundamental mission of the OSL is “to promote the overall development and graduation of University of Florida Student Athletes.” This is achieved through a range of programs and services that are tailored to fit the demanding and specialized needs of student athletes while also meeting requirements of the NCAA, the SEC and other organizations with oversight of University athletic programs. In addition to promoting the academic achievements of athletes at the University of Florida, the OSL promotes recruitment and retention, provides academic support, guidance in personal development and career development, and nurtures a culture of good citizenship through community outreach and service for student athletes – all directly related to the University’s core mission.

The University of Florida’s 500+ student athletes are required to maintain a minimum of 8 contact hours per week during season (varying based on sport) and 16 hours during off-season (a minimum at any given time of 4,000 contact hours per week). When evaluating the number of required contact hours, normal (and sometimes extended) hours of operation for advising and tutoring services, and the available space within the existing building, it is immediately evident that there is not enough space for the OSL to provide comprehensive services and programs on par with competing Universities or athletic programs. As indicated in previous evaluations of the OSL by third-party entities (including internal audits, NCAA, and SEC evaluations), the space deficiency translates to a lack of institutional control as tutors and students are forced to meet at pre-approved alternate sites rather than within the OSL.

At-risk student athletes – including those with special needs/learning disabilities represent approximately 30% of the current student athlete population. The “Strategy Program” within the OSL is specially designed to serve the needs of at-risk student athletes and require additional, need-based and subject specific tutoring in a focused environment. The current space allocation for the Strategy Program is particularly strained. It is the intent of the new program to absorb the entire existing third floor space of the Farrior Hall building for use by the Strategy Program – a space currently dedicated to the entirety of the OSL.

The following is an overview of the programs and services provided by the UAA’s OSL:
Academic Support
- New-student orientation
- Structured study hall and test reviews
- Content tutoring, study skills and strategy tutoring
- Daily communication with coaches
- Support for learning disabilities

Career Development and Support
- Mock interviewing
- Career counseling
- Specialized job fairs

Personal Development
- Workshops in goal-setting, stress management and fiscal responsibility
- Personal counseling and referrals
- Alcohol, drug and performance-enhancing supplement education

Leadership and Service Development
- Student Athlete Advisory Committee
- Skill-specific seminars
- Goodwill Gators Community Outreach

Based on the information provided and the project description, the renovation and expansion of the OSL consistently reflects an alignment with the University's threelfold mission of “teaching, research, and service.” Further, the objectives and program of the OSL specifically address the following goals of the University of Florida’s strategic plan:

- Goal 6: Work with the surrounding community and the city of Gainesville to improve the quality of life in the community and to ensure a vibrant, sustainable environment in which to live and work.
- Goal 12: Increase the cultural, ethnic, racial, gender and socioeconomic diversity of the student body to achieve the broad student diversity needed to achieve the University's educational mission.
- Goal 13: Provide a wide range of excellent co-curricular/extra-curricular activities and student services to maximize students' development as outstanding scholars, leaders and citizens in Florida, the nation and the global community.
- Goal 15: Continue to improve the academic quality of undergraduate students and develop strategies to improve the graduation rates incrementally while maintaining academic integrity of degree programs and providing students the flexibility to find majors that best fit their interests and talents.
- Goal 16: Lower class sizes in areas where large class sizes are especially detrimental to the pedagogical goals of those classes, improve the adviser/student ratio, provide students with opportunities to develop research and writing skills, and enhance academic support for students.
- Goal 25: Identify critical space and facilities needs across the University and implement a long-range plan to resolve them.
- Goal 27: Review information technology needs and develop a state-of-the-art IT infrastructure to support faculty and students, with emphasis on increasing, from the end-user's perspective, the compatibility of IT units, while maintaining their integrity.
Goal 28: Develop faculty resources specifically in the arts and humanities by providing a supportive research environment to increase faculty productivity; recruiting and retaining the best faculty possible in the arts and humanities and; developing a plan to build the size of arts and humanities programs to achieve parity with top ten public AAU institutions.

Goal 29: Promote the arts and humanities to the University community, to the national and international academic communities and to the public at the local, state and national levels. Support outreach programs to the state and local community.

UAA-35; Indoor Football Practice Facility

The UAA (UAA) is proposing to provide an indoor practice field for the football program on its current practice site located immediately north of McKethan Stadium (baseball) on the University of Florida campus. The football program does not currently have access to an indoor practice field.

The current facility has three outdoor practice fields. Two natural turf fields at 100 yards and 70 yards, and one synthetic turf field at 50 yards. In support of the practice fields, a 5,500 square foot maintenance building was constructed in 2006 to provide space for satellite athletic training, a hydration station, toilet facilities and field maintenance equipment storage. While the practice area and support space have served the program adequately in the past, UAA would like to provide an indoor facility in order to:

- Allow practice to continue without interruption during incidents of inclement weather. Currently, the team must stop practice and seek cover during these events. This disrupts the flow and continuity of the team's training session, as well as places the players' safety at risk.

- Compete with peer institutions to recruit quality student athletes. The practice facility's lack of space for interior training has set the University's program behind virtually all of its competitors within the Southeastern Conference and the NCAA. This, in turn, puts the football program at a disadvantage in recruiting top student athletes from around the country.

Based on the information provided and the project description, the proposed new Indoor Practice Facility consistently reflects an alignment with the University's threefold mission of “teaching, research, and service.”

Further, the objectives and program of the Indoor Practice Facility specifically address the following goals of the University of Florida's strategic plan:

- Goal 6: Work with the surrounding community and the city of Gainesville to improve the quality of life in the community and to ensure a vibrant, sustainable environment in which to live and work.

- Goal 12: Increase the cultural, ethnic, racial, gender and socioeconomic diversity of the student body to achieve the broad student diversity needed to achieve the University's educational mission.

- Goal 13: Provide a wide range of excellent co-curricular/extra-curricular activities and student services to maximize students' development as outstanding scholars, leaders and citizens in Florida, the nation and the global community.
Tab 6.

Project Costs and Schedules
**Estimated Costs and Useful Life**

The University Athletic Association is in the planning stages for two Capital Improvement projects to be funded in part with bond proceeds. Listed below are the projects that are currently under design and are due to be completed by December 2016. The Association is requesting approval of a bond issuance not to exceed $15 million. Based on the actual debt issued the proposed project list may be adjusted.

<table>
<thead>
<tr>
<th>Project</th>
<th>Estimated Cost</th>
<th>Estimated Construction Start Date</th>
<th>Estimated Completion Date</th>
<th>Bond Proceeds Required</th>
<th>Useful Life</th>
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<tr>
<td>Renovation and Expansion of Office of Student Life</td>
<td>$25 million</td>
<td>May 2015</td>
<td>December 2016</td>
<td>May 2015 ¹</td>
<td>30 Years</td>
</tr>
<tr>
<td>New Indoor Football Practice Facility</td>
<td>$15 million</td>
<td>February 2015</td>
<td>August 2015</td>
<td>March 2015 ¹</td>
<td>20 Years</td>
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The draw schedule will be based on the construction time frame for each of the projects with all bond proceeds being fully drawn down by December 31, 2016.

¹ Legislative approval is being sought and is expected by July 1, 2015 and the Association will reimburse the construction costs once the bond proceeds are received.
Tab c.

Sources and Uses
# Sources and Uses for
University Athletic Association, Inc.
Proposed Revenue Bonding of $15,000,000

## Estimated Sources of Funds

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<tr>
<th>Source</th>
<th>Amount</th>
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<td>Private Contributions and UAA Reserve for Advising Center &amp; Indoor Facility</td>
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<td>Bond Proceeds</td>
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Total $ 40,150,000.00

## Estimated Uses of Funds

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<th>Use</th>
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## Estimated Bond Issuance Costs: ¹

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**Construction Costs Advising Center**

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<tr>
<td>Construction Costs Advising Center</td>
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**Construction Costs Indoor Practice Facility**

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<th>Cost</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Construction Costs Indoor Practice Facility</td>
<td>15,000,000.00</td>
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Total $ 40,150,000.00

¹ Costs are based on a full issuance of $15 million and will be less based on actual amount of debt issued
Tab d.

Estimated Debt Service
### University Athletic Association, Inc.

**Estimated Amortization Schedule - $15M @ 6.00% over 20 Years**

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<th>Pymt No</th>
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<th>Principal Ending Balance</th>
<th>Annual Amount</th>
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<td>1,515,000.00</td>
<td>18-19</td>
</tr>
<tr>
<td>10/1/2020</td>
<td>10/1/2020</td>
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<td>720,000.00</td>
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<td>10/1/2021</td>
<td>10/1/2021</td>
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<td>1,425,000.00</td>
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<td>10/1/2022</td>
<td>9,750,000.00</td>
<td>630,000.00</td>
<td>1,380,000.00</td>
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<tr>
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<td>10/1/2023</td>
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<td>1,335,000.00</td>
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<td>7,500,000.00</td>
<td>495,000.00</td>
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<td>10/1/2026</td>
<td>10/1/2026</td>
<td>6,750,000.00</td>
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<td>10/1/2027</td>
<td>6,000,000.00</td>
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<td>1,155,000.00</td>
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<tr>
<td>10/1/2028</td>
<td>10/1/2028</td>
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<td>1,110,000.00</td>
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<tr>
<td>10/1/2029</td>
<td>10/1/2029</td>
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<td>1,065,000.00</td>
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<tr>
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<td>1,020,000.00</td>
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<tr>
<td>10/1/2031</td>
<td>10/1/2031</td>
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<td>10/1/2032</td>
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<td>31-32</td>
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<td>10/1/2033</td>
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<td>885,000.00</td>
<td>32-33</td>
</tr>
<tr>
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<td>10/1/2034</td>
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<td>0.00</td>
<td>45,000.00</td>
<td>795,000.00</td>
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</tr>
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</table>

**Total:**

- Annual Amount: $15,000,000.00
- 9 Months Amount: $9,450,000.00
- 3 Month Amount: $24,450,000.00
- Fiscal Year Amount: $7,087,500.00
- 9 Months Interest: $2,362,500.00
- 3 Month Total P + I: $24,450,000.00

---

1 The UAA is planning to issue variable rate debt either multi-annual or daily, but reserves the option to fix the rate as the market would dictate at the time of issuance. UAA does not plan to formally set the amortization schedule however, it plans to amortize the debt on a level basis.
Tab e.

Consolidated Debt Service
## Debt Service

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Debt¹</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>4,080,000</td>
<td>4,180,000</td>
<td>4,285,000</td>
<td>4,390,000</td>
<td>4,500,000</td>
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<tr>
<td>Interest</td>
<td>2,120,946</td>
<td>2,017,548</td>
<td>1,914,477</td>
<td>1,942,666</td>
<td>1,838,623</td>
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<tr>
<td><strong>Proposed additional bond issue Principal and Interest²</strong></td>
<td>675,000</td>
<td>1,616,250</td>
<td>1,571,250</td>
<td>1,526,250</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$6,200,946</td>
<td>$6,872,548</td>
<td>$7,815,727</td>
<td>$7,903,916</td>
<td>$7,864,873</td>
</tr>
</tbody>
</table>

¹ See attached spreadsheet for calculations
² See spreadsheet in Tab e for calculations

<table>
<thead>
<tr>
<th>Yearly</th>
<th>Bond Yearly</th>
<th>Yearly Debt Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-Oct-14</td>
<td>1500000</td>
<td>18152</td>
</tr>
<tr>
<td>1-Oct-15</td>
<td>1600000</td>
<td>14043</td>
</tr>
<tr>
<td>1-Oct-16</td>
<td>1700000</td>
<td>117054</td>
</tr>
<tr>
<td>1-Oct-17</td>
<td>1800000</td>
<td>83156</td>
</tr>
<tr>
<td>1-Oct-18</td>
<td>1900000</td>
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</tr>
<tr>
<td>1-Oct-19</td>
<td>2000000</td>
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<td>3210000</td>
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<td>798178</td>
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<tr>
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<td>1-Oct-26</td>
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<td>4120000</td>
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<td>1-Oct-28</td>
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<td>1-Oct-30</td>
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</tr>
<tr>
<td>1-Oct-31</td>
<td>4850000</td>
<td>34668</td>
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</table>

**Date**

<table>
<thead>
<tr>
<th>Date</th>
<th>Yearly</th>
<th>Yearly Debt Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-Oct-14</td>
<td>1500000</td>
<td>18152</td>
</tr>
<tr>
<td>1-Oct-15</td>
<td>1600000</td>
<td>14043</td>
</tr>
<tr>
<td>1-Oct-16</td>
<td>1700000</td>
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<td>1-Oct-17</td>
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<td>1-Oct-18</td>
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<tr>
<td>1-Oct-19</td>
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<td>12603</td>
</tr>
<tr>
<td>1-Oct-20</td>
<td>785000</td>
<td>1286468</td>
</tr>
</tbody>
</table>


1. Based on actual interest of 3.83% for the life of the bond
2. Based on actual interest rate blend of 2.5% and 3.83% for the life of the bond
3. Based on actual interest rate of 3.83% for the life of the bond
4. Based on actual interest rate of 1.60% thru 2016 and 2.5% for the remaining life of the bond
5. Based on actual interest rate of 1.60% thru 2016 and 2.5% for the remaining life of the bond
Tab f.

Schedule of Estimated Compliance
### University Athletic Association, Inc.
**Schedule of Estimated Compliance with Additional Bond Requirements**

<table>
<thead>
<tr>
<th></th>
<th>Actual 12/31/2014</th>
<th>Projected 6/30/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Computation of Net Revenue:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Operating Income</td>
<td>16,964,889</td>
<td>6,818,173</td>
</tr>
<tr>
<td>Plus: Depreciation &amp; amortization</td>
<td>4,500,000</td>
<td>9,000,000</td>
</tr>
<tr>
<td>Net Revenue</td>
<td><strong>$ 21,464,889</strong></td>
<td><strong>$ 15,818,173</strong></td>
</tr>
</tbody>
</table>

**Computation of Current Year Debt Service:**
- Current Annual Principal Payments: 4,080,000
- Series 2015 Bonds Annual Principal Payments: 750,000
- Current Annual Interest - Paid to bondholders: 1,894,987
- Series 2015 Bonds Annual Interest Payments: 900,000

**Total Projected Debt Service:**
- **$ 7,624,987**

**Net Revenue to Debt Service Ratio:**
- **2.82**
- **2.07**

**Minimum Ratio:**
- **1.10**
- **1.10**

**Computation of Liquidity Requirements:**
- Indebtedness at December 31st: 80,630,000
- Series 2015 Bonds: 15,000,000

**Total Projected Indebtedness:** 95,630,000

**Liquidity %:** 25%

**Required Amount of Liquidity:**
- **$ 23,907,500**
- **$ 23,907,500**

**Unrestricted Cash, Marketable Securities & Investments:**
- Cash & Cash Equivalents: 4,619,879
- Short-Term Investments: 25,339,803
- Investments: 56,974,761

**Liquidity:**
- **$ 86,934,443**
- **$ 109,900,000**
Interest Payment Date or (ii) in the case of Non Book-Entry Bonds, the registered Owner at the close of business on the Record Date.

(b) Subject to the further provisions of Article III hereof, each Bond shall bear interest and be payable as follows:

(i) Each Bond shall bear interest (at the applicable rate determined pursuant to Article III hereof) (A) from the date of authentication, if such date is the date of original issuance of the Bonds, (B) from the date of authentication, if authenticated on an Interest Payment Date to which interest has been paid, or (C) from the last preceding Interest Payment Date to which interest has been paid in all other cases.

(ii) The amount of interest so payable on any Interest Payment Date shall be computed (A) on the basis of a 365/366 day year for the number of days actually elapsed during Commercial Paper, Daily and Weekly Rate Periods, (B) on the basis of a 360-day year of twelve (12) thirty (30) day months during Multiannual and Fixed Rate Periods, (C) a 360-day year for the number of days actually elapsed during a Bank Rate Bond Rate Period.

Section 2.05 Depository Treated as Bond Owner. When a Book-Entry System is in effect, the Depository and not the Owners shall be deemed the absolute owner of the Depository Bond for all purposes, and payment of principal, interest or purchase price will be made only to or upon the written order of the Depository; provided this Section shall not apply to Non Book-Entry Bonds.

Section 2.06 Acts of Owners. Any action to be taken by Owners may be evidenced by one or more concurrent written instruments of similar tenor signed or executed by such Owners in person or by their agents appointed in writing. The fact and date of the execution by any Person of any such instrument may be proved by acknowledgments or by an affidavit of a witness to such execution. Any action by the Owners shall bind all future Owners in respect of anything done or suffered by UAA or the Trustee in pursuance thereof.

Section 2.07 Additional Bonds. Additional Bonds may be issued from time to time under the Indenture on a parity with and with the same benefit and security of the Indenture as all other Bonds issued hereunder. Except as set forth in Section 2.08 hereof, such Additional Bonds shall not be secured by, and the Owners of such Additional Bonds shall have no interest in, funds drawn under a Credit Facility securing another series of the Bonds, or, unless specifically provided by Supplemental Indenture, any Credit Facility securing any other series of Additional Bonds. Unless specifically provided by Supplemental Indenture, the Trustee shall establish separate subaccounts, designated by year of delivery, plus an alphabetical sequence, if any, for such Additional Bonds in each of the funds created under the Indenture and the Trustee shall not commingle moneys deposited on account of such Additional Bonds with moneys held on account of previously issued Bonds.

Additional Bonds shall be dated such date, shall bear interest at a rate or rates not in excess of the maximum rate then permitted by applicable law, shall be payable and shall mature by their terms at such time or times, as may be determined by UAA and expressed from time to time in one or more Supplemental Indentures, as provided in a resolution of UAA approving such Additional Bonds. Such resolution shall describe in brief and general terms the purpose of such Additional Bonds including any Improvements to be acquired or constructed and estimating the Cost thereof.

Before Additional Bonds shall be authenticated and delivered by the Trustee, there shall additionally be filed with the Trustee the following:
(1) a copy, certified by the Secretary of UAA, of each resolution adopted by
the Governing Board of UAA authorizing the execution and delivery of any amendments of
supplements or amendments to the Indenture and the issuance of such Additional Bonds in the
amount specified therein;

(2) an opinion of counsel to UAA addressed to the Trustee stating that the
signer is of the opinion that the issuance, execution and delivery of such Additional Bonds and
the execution and delivery of any amendments and supplements to the Indenture have been duly
and validly authorized by UAA and does not violate the terms of the Indenture, that such
Additional Bonds and any amendments or supplements to the Indenture are in the form so
authorized and have been duly executed by UAA and that, assuming proper authorization and
execution by the other parties thereto, any such modifications or amendments are valid and
binding in accordance with their terms, as so modified or amended;

(3) executed counterparts of any supplements modifying or amending the
Indenture;

(4) an Opinion of Tax Counsel to UAA, addressed to UAA and to the Trustee,
to the effect that such Additional Bonds are legal and valid and that under existing law,
regulations and court decisions, the issuance and sale of such Additional Bonds will not
result in interest on any Outstanding Bonds becoming includable in the gross income of the
holders thereof for federal income tax purposes;

(5) if the Additional Bonds are to be secured by a Credit Facility, an opinion
of counsel to the Credit Facility Provider addressed to the Trustee that the Credit Facility has
been duly authorized, executed and delivered and is a valid and binding obligation of the Credit
Facility Provider enforceable in accordance with its terms.

(6) if the Additional Bonds will be secured under the same Credit Facility as
any Outstanding Bonds, a letter from the Rating Agency confirming that the rating on the
Outstanding Bonds will not be reduced or withdrawn.

(7) a certificate of an authorized officer of UAA that UAA is not in default
under any of the Bond Documents.

(8) such additional documents or other items as required of the applicable
Supplemental Indentures, if any.

When the documents mentioned above in this Section 2.07 shall have been filed with the
Trustee and the requirements of this Section have been met and when the Additional Bonds
described in the resolution shall have been executed and authenticated as required by the
Indenture, (i) during a Rate Period other than a Bank Rate Bond Rate Period, the Trustee shall
instruct the Depository to release the Bonds to the order of the purchasers, but only upon
payment to the Trustee of the purchase price of such Additional Bonds or (ii) during a Bank Rate
Bond Rate Period, the Trustee shall deliver the Bonds to the Owner of such Bank Rate Bonds.
The Trustee shall be entitled to rely upon such resolution as to the names of the purchasers, the
initial Rate Period of such Additional Bonds (if applicable) and the amount of such purchase
price.

Prior to issuance of any Additional Bonds, UAA shall furnish the Trustee written consent
of each Credit Facility Provider of each Credit Facility then in effect; provided that no such
consent shall be necessary if after issuance of such Additional Bonds, the Net Revenues, taking
into account the projected revenues and expenses of the projects being financed, will be at least
equal to one hundred and ten percent (110%) of the Maximum Annual Debt Service on the
Bonds then Outstanding and the Additional Bonds proposed to be issued, such Maximum Annual Debt Service to be computed using the adjustments provided in Section 6.09 hereof. When the consent of a Credit Facility Provider is required, such consent may be conditioned on the execution and delivery of an intercreditor agreement satisfactory in all respects to the applicable Credit Facility Providers.

**Section 2.08 Additional Bonds Secured by Same Credit Facility.** If a Credit Facility securing all or a portion of the Bonds is increased in an amount to accommodate payment of the Additional Bonds to be issued, the Supplemental Indenture may provide for a commingling of funds for purposes of payment and security of each series. In such event no conversion to a Fixed Rate shall be allowed unless all Bonds so secured shall be so converted.

**Section 2.09 Mutilated, Lost or Destroyed Bonds.** If any Bonds not held in a Book-Entry System have been mutilated, lost or destroyed, UAA shall execute, and the Trustee shall authenticate and deliver to the Owner, a new Bond of like date and tenor in exchange and substitution for, and upon cancellation of, such mutilated Bond or in lieu of and in substitution for such lost or destroyed Bond but only if the Owner has paid the reasonable expenses and charges of UAA and the Trustee in connection therewith (including attorney’s fees, costs and expenses, if any) and, in the case of a lost or destroyed Bond, (a) filed with the Trustee evidence satisfactory to the Trustee that such Bond was lost or destroyed and (b) furnished to the Trustee and UAA indemnity satisfactory to each. If any such Bond has matured or been called for redemption and is payable, instead of issuing a new Bond, the Trustee may pay the same without issuing a replacement.
Section 6.20 Notice of Default. UAA will deliver immediate written notice to the Trustee of any: (i) default under any of the Bond Documents, (ii) default under any agreement to which UAA is a party, (iii) any event which has caused or may cause representations, warranties or other information delivered to the Trustee by UAA in connection with the Bonds to be or become untrue; and (iv) any material adverse change in UAA’s business or financial condition.

Section 6.21 Compliance with Laws. UAA will observe, confirm and comply in every material respect with all laws, decisions, judgments, rules, regulations and orders of all applicable governmental authorities relative to the construction and operation of the Improvements and the conduct of its business.

Section 6.22 Payment of Indebtedness, Taxes, Etc. UAA will (i) pay all of its material obligations promptly and in accordance with normal terms; and (ii) pay and discharge or cause to be paid and discharged promptly all taxes, assessments and governmental charges or levies imposed upon UAA or upon any of UAA’s other property, real, personal or mixed, or upon any part thereof, before the same shall become in default.

Section 6.23 Notices of Litigation or Regulatory Action. UAA will deliver immediate written notice to the Trustee, each Credit Facility Provider and each Owner of Bank Rate Bonds of any of the following:

(i) Any claims or litigation against UAA if such litigation or claim involves the possibility of liability in excess of $1,000,000 or would otherwise have a material adverse impact on the condition, financial or otherwise, of UAA, which notice shall include a description of the claim or litigation and the basis therefor; or

(ii) Any material citation, order, decree, ruling or decision issued by, or any denial of any application or petition to, or any proceedings (or material change in the status of proceedings) before any governmental commission, bureau or other administrative agency or public regulatory body against or affecting UAA which would have a material adverse impact on the condition of UAA, financial or otherwise; or

(iii) Any lapse, suspension or other termination or any modification of any certification, license, consent or other authorization of any governmental commission, bureau or other administrative agency or public regulatory body, or any refusal of any thereof to grant any application therefor, in connection with the operation of the Improvements, if such event might have a material adverse effect on the condition, financial or otherwise, of UAA.

Section 6.24 Additional Parity Debt. Except as specifically provided in this subparagraph, UAA shall not incur or permit to exist any liens on the Facilities or indebtedness, including contingent obligations, secured by or payable out of any revenues from the Facilities except for the following:

(i) Any such indebtedness specifically subordinated in priority of lien and right of payment to the rights of the Trustee pursuant to agreements satisfactory to the Trustee;

(ii) Additional Bonds issued pursuant to Section 2.07 hereof; and

(iii) Other indebtedness ranking pari passu with the obligations hereunder if such indebtedness could have been issued as Additional Bonds (i.e. upon satisfaction of the applicable provisions of Section 2.07 hereof).
Notwithstanding the preceding language, no such liens may be incurred or permitted to exist unless permitted by each Credit Facility Agreement.

Section 6.25 Maintenance. UAA shall maintain and preserve all of the Improvements and Facilities in good working order, making from time to time all necessary repairs and replacements.

Section 6.26 Continuing Disclosure. In accordance with applicable securities laws and in the event of a conversion of the Rate Period for the Bonds of any series to a Multiannual Rate Period, to a Fixed Rate Period or to any Rate Period after such Bonds have been in a Bank Rate Bond Rate Period, provided such Bonds are sold to the public, UAA shall execute and deliver a certificate of continuing disclosure in form and substance reasonably acceptable to the Remarketing Agent to remain in effect until such Bonds are redeemed in whole or mature. The Trustee does not have a duty to enforce the continuing disclosure obligations of UAA under the Rule; however, the Trustee, any Bond Insurer, any Credit Facility Provider or any Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause UAA to comply with its obligations under the Rule.

Section 6.27 Liquidity Covenant. UAA shall maintain unrestricted cash, marketable securities and investments in an amount greater than twenty-five percent (25%) of its total indebtedness, as at the end of each fiscal year based upon the financial information set forth in the annual audited financial statements of UAA. Between annual measurement dates, UAA shall not be required to maintain such level of liquidity.
SECURITY FOR THE BONDS

(all capitalized terms not otherwise defined herein will be as defined in the Amended and Restated Trust Indenture, dated as of October 1, 2011, between The University Athletic Association, Inc. ("UAA") and TD Bank, National Association (the "Trustee"), as amended and supplemented, particularly as amended and supplemented by a Third Supplemental Trust Indenture, dated as of its date, each between UAA and the Trustee (collectively, the "Indenture")

To secure the payment of the Bonds and, as provided in the Indenture, payment of all obligations to a Credit Facility Provider, a Bond Insurer or an Owner of Bank Rate Bonds, UAA assigns to the Trustee and grants to the Trustee a security interest in all right, title and interest of UAA in and to (a) except as specifically provided in the Indenture, all moneys and securities held from time to time by the Trustee under the Indenture, except those moneys and securities held from time to time in the Rebate Account, (b) any Credit Facilities, if any, securing payment with respect to a specific series of Bonds secured by such Credit Facility, (c) any proceeds from a Bond Insurance Policy, if any, issued to secure a specific series of Bonds and (d) to the extent not included in the foregoing, the products and proceeds of any and all of the foregoing described collateral (collectively, the "Trust Estate"), in each case, for the equal and proportionate benefit of all holders of the Bonds without priority or distinction as to lien or otherwise of any Bonds over any other Bonds and for the benefit of each Credit Facility Provider, each Bond Insurer and each Owner of Bank Rate Bonds, if any, with respect to the Bonds secured, insured or owned by such Credit Facility Provider, Bond Insurer or Owner of Bank Rate Bonds, respectively, except as otherwise provided in the Indenture. The lien upon and pledge of the Trust Estate securing the Bonds and UAA’s obligations under a Credit Facility Agreement, Credit and Purchase Agreement or Extension Agreement shall have priority and rank senior to the lien upon and pledge thereof securing any Hedge Obligations. The Trustee shall hold (i) all funds drawn under a Credit Facility solely for the benefit of the holders of the Bonds secured by such Credit Facility and (ii) any proceeds from a Bond Insurance Policy for the benefit of the holders of the Bonds insured by such Bond Insurance Policy. If moneys are provided under any Credit Facility to make payments required under the Indenture, the Credit Facility Provider shall be subrogated to the rights of UAA and the holders of the Credit Facility Bonds secured by such Credit Facility, and the Trustee shall apply the interests granted under the Indenture, except any proceeds from a Bond Insurance Policy, to secure payment of all obligations of UAA under such Credit Facility Agreement until the same have been satisfied as provided in the Indenture.

POLITICAL SUBDIVISION THEREOF, OR A PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF. NEITHER UAA NOR THE UNIVERSITY BOARD HAS ANY TAXING POWER.

RATE COVENANT

Pursuant to the Indenture, UAA is required to maintain, charge and collect such fees, admissions, rentals and revenues as will always produce Net Revenues to the Principal and Interest Requirements due on the Bonds of greater than 1.1:1. The foregoing calculation shall be computed on a fiscal year basis from July 1 to June 30 of each year.

LIQUIDITY

In addition, UAA is required to maintain unrestricted cash, marketable securities and investments in an amount greater than twenty-five percent (25%) of its total indebtedness, as at the end of each fiscal year based upon the financial information set forth in the annual audited financial statements of UAA. Between annual measurement dates, UAA shall not be required to maintain such level of liquidity.
Tab h.

Parity Basis
Debt on a Parity Basis

The debt issuance will be issued on a parity basis with the outstanding debt. As of October 1, 2015 the University Athletic Association’s outstanding debt will be $76,450,000. The proposed new debt issuance will be in a principal amount not exceeding $15,000,000 bringing the total debt to a maximum outstanding amount of $91,450,000. The existing bonds covenants allow for the issuance of additional bonds under the same indenture. Attached are copies of Sections 2.07 and 6.24 of the Indenture that provide for the authorization and issuance of Additional Bonds that will be entitled to the benefit, protection and security of the Indenture on a parity with the Outstanding Bonds. Also attached are copies of: (i) Sections 5.7 and 5.8 of the Reimbursement Agreement of JPMorgan Chase Bank, N.A., (ii) Section 7(l) of the Credit and Purchase Agreement of PNC Bank, National Association and (iii) Section 7(l) of the Credit and Purchase Agreement, as amended, of SunTrust Bank and STI Institutional & Government, Inc., all relating to the incurrence of indebtedness and creation or incurrence of any liens on the Association’s assets.
Interest Payment Date or (ii) in the case of Non Book-Entry Bonds, the registered Owner at the close of business on the Record Date.

(b) Subject to the further provisions of Article III hereof, each Bond shall bear interest and be payable as follows:

(i) Each Bond shall bear interest (at the applicable rate determined pursuant to Article III hereof) (A) from the date of authentication, if such date is the date of original issuance of the Bonds, (B) from the date of authentication, if authenticated on an Interest Payment Date to which interest has been paid, or (C) from the last preceding Interest Payment Date to which interest has been paid in all other cases.

(ii) The amount of interest so payable on any Interest Payment Date shall be computed (A) on the basis of a 365/366 day year for the number of days actually elapsed during Commercial Paper, Daily and Weekly Rate Periods, (B) on the basis of a 360-day year of twelve (12) thirty (30) day months during Multiannual and Fixed Rate Periods, (C) a 360-day year for the number of days actually elapsed during a Bank Rate Bond Rate Period.

Section 2.05 Depository Treated as Bond Owner. When a Book-Entry System is in effect, the Depository and not the Owners shall be deemed the absolute owner of the Depository Bond for all purposes, and payment of principal, interest or purchase price will be made only to or upon the written order of the Depository; provided this Section shall not apply to Non Book-Entry Bonds.

Section 2.06 Acts of Owners. Any action to be taken by Owners may be evidenced by one or more concurrent written instruments of similar tenor signed or executed by such Owners in person or by their agents appointed in writing. The fact and date of the execution by any Person of any such instrument may be proved by acknowledgments or by an affidavit of a witness to such execution. Any action by the Owners shall bind all future Owners in respect of anything done or suffered by UAA or the Trustee in pursuance thereof.

Section 2.07 Additional Bonds. Additional Bonds may be issued from time to time under the Indenture on a parity with and with the same benefit and security of the Indenture as all other Bonds issued hereunder. Except as set forth in Section 2.08 hereof, such Additional Bonds shall not be secured by, and the Owners of such Additional Bonds shall have no interest in, funds drawn under a Credit Facility securing another series of the Bonds, or, unless specifically provided by Supplemental Indenture, any Credit Facility securing any other series of Additional Bonds. Unless specifically provided by Supplemental Indenture, the Trustee shall establish separate subaccounts, designated by year of delivery, plus an alphabetical sequence, if any, for such Additional Bonds in each of the funds created under the Indenture and the Trustee shall not commingle moneys deposited on account of such Additional Bonds with moneys held on account of previously issued Bonds.

Additional Bonds shall be dated such date, shall bear interest at a rate or rates not in excess of the maximum rate then permitted by applicable law, shall be payable and shall mature by their terms at such time or times, as may be determined by UAA and expressed from time to time in one or more Supplemental Indentures, as provided in a resolution of UAA approving such Additional Bonds. Such resolution shall describe in brief and general terms the purpose of such Additional Bonds including any Improvements to be acquired or constructed and estimating the Cost thereof.

Before Additional Bonds shall be authenticated and delivered by the Trustee, there shall additionally be filed with the Trustee the following:
(1) a copy, certified by the Secretary of UAA, of each resolution adopted by the Governing Board of UAA authorizing the execution and delivery of any amendments of supplements or amendments to the Indenture and the issuance of such Additional Bonds in the amount specified therein;

(2) an opinion of counsel to UAA addressed to the Trustee stating that the signer is of the opinion that the issuance, execution and delivery of such Additional Bonds and the execution and delivery of any amendments and supplements to the Indenture have been duly and validly authorized by UAA and does not violate the terms of the Indenture, that such Additional Bonds and any amendments or supplements to the Indenture are in the form so authorized and have been duly executed by UAA and that, assuming proper authorization and execution by the other parties thereto, any such modifications or amendments are valid and binding in accordance with their terms, as so modified or amended;

(3) executed counterparts of any supplements modifying or amending the Indenture;

(4) an Opinion of Tax Counsel to UAA, addressed to UAA and to the Trustee, to the effect that such Additional Bonds are legal and valid and that under existing law, regulations and court decisions, the issuance and sale of such Additional Bonds will not result in interest on any Outstanding Bonds becoming includable in the gross income of the holders thereof for federal income tax purposes;

(5) if the Additional Bonds are to be secured by a Credit Facility, an opinion of counsel to the Credit Facility Provider addressed to the Trustee that the Credit Facility has been duly authorized, executed and delivered and is a valid and binding obligation of the Credit Facility Provider enforceable in accordance with its terms.

(6) if the Additional Bonds will be secured under the same Credit Facility as any Outstanding Bonds, a letter from the Rating Agency confirming that the rating on the Outstanding Bonds will not be reduced or withdrawn.

(7) a certificate of an authorized officer of UAA that UAA is not in default under any of the Bond Documents.

(8) such additional documents or other items as required of the applicable Supplemental Indentures, if any.

When the documents mentioned above in this Section 2.07 shall have been filed with the Trustee and the requirements of this Section have been met and when the Additional Bonds described in the resolution shall have been executed and authenticated as required by the Indenture, (i) during a Rate Period other than a Bank Rate Bond Rate Period, the Trustee shall instruct the Depository to release the Bonds to the order of the purchasers, but only upon payment to the Trustee of the purchase price of such Additional Bonds or (ii) during a Bank Rate Bond Rate Period, the Trustee shall deliver the Bonds to the Owner of such Bank Rate Bonds. The Trustee shall be entitled to rely upon such resolution as to the names of the purchasers, the initial Rate Period of such Additional Bonds (if applicable) and the amount of such purchase price.

Prior to issuance of any Additional Bonds, UAA shall furnish the Trustee written consent of each Credit Facility Provider of each Credit Facility then in effect; provided that no such consent shall be necessary if after issuance of such Additional Bonds, the Net Revenues, taking into account the projected revenues and expenses of the projects being financed, will be at least equal to one hundred and ten percent (110%) of the Maximum Annual Debt Service on the
Bonds then Outstanding and the Additional Bonds proposed to be issued, such Maximum Annual Debt Service to be computed using the adjustments provided in Section 6.09 hereof. When the consent of a Credit Facility Provider is required, such consent may be conditioned on the execution and delivery of an intercreditor agreement satisfactory in all respects to the applicable Credit Facility Providers.

Section 2.08 Additional Bonds Secured by Same Credit Facility. If a Credit Facility securing all or a portion of the Bonds is increased in an amount to accommodate payment of the Additional Bonds to be issued, the Supplemental Indenture may provide for a commingling of funds for purposes of payment and security of each series. In such event no conversion to a Fixed Rate shall be allowed unless all Bonds so secured shall be so converted.

Section 2.09 Mutilated, Lost or Destroyed Bonds. If any Bonds not held in a Book-Entry System have been mutilated, lost or destroyed, UAA shall execute, and the Trustee shall authenticate and deliver to the Owner, a new Bond of like date and tenor in exchange and substitution for, and upon cancellation of, such mutilated Bond or in lieu of and in substitution for such lost or destroyed Bond but only if the Owner has paid the reasonable expenses and charges of UAA and the Trustee in connection therewith (including attorney’s fees, costs and expenses, if any) and, in the case of a lost or destroyed Bond, (a) filed with the Trustee evidence satisfactory to the Trustee that such Bond was lost or destroyed and (b) furnished to the Trustee and UAA indemnity satisfactory to each. If any such Bond has matured or been called for redemption and is payable, instead of issuing a new Bond, the Trustee may pay the same without issuing a replacement.
Section 6.20 Notice of Default. UAA will deliver immediate written notice to the Trustee of any: (i) default under any of the Bond Documents, (ii) default under any agreement to which UAA is a party, (iii) any event which has caused or may cause representations, warranties or other information delivered to the Trustee by UAA in connection with the Bonds to be or become untrue; and (iv) any material adverse change in UAA’s business or financial condition.

Section 6.21 Compliance with Laws. UAA will observe, confirm and comply in every material respect with all laws, decisions, judgments, rules, regulations and orders of all applicable governmental authorities relative to the construction and operation of the Improvements and the conduct of its business.

Section 6.22 Payment of Indebtedness, Taxes, Etc. UAA will (i) pay all of its material obligations promptly and in accordance with normal terms; and (ii) pay and discharge or cause to be paid and discharged promptly all taxes, assessments and governmental charges or levies imposed upon UAA or upon any of UAA’s other property, real, personal or mixed, or upon any part thereof, before the same shall become in default.

Section 6.23 Notices of Litigation or Regulatory Action. UAA will deliver immediate written notice to the Trustee, each Credit Facility Provider and each Owner of Bank Rate Bonds of any of the following:

(i) Any claims or litigation against UAA if such litigation or claim involves the possibility of liability in excess of $1,000,000 or would otherwise have a material adverse impact on the condition, financial or otherwise, of UAA, which notice shall include a description of the claim or litigation and the basis therefor; or

(ii) Any material citation, order, decree, ruling or decision issued by, or any denial of any application or petition to, or any proceedings (or material change in the status of proceedings) before any governmental commission, bureau or other administrative agency or public regulatory body against or affecting UAA which would have a material adverse impact on the condition of UAA, financial or otherwise; or

(iii) Any lapse, suspension or other termination or any modification of any certification, license, consent or other authorization of any governmental commission, bureau or other administrative agency or public regulatory body, or any refusal of any thereof to grant any application therefor, in connection with the operation of the Improvements, if such event might have a material adverse effect on the condition, financial or otherwise, of UAA.

Section 6.24 Additional Parity Debt. Except as specifically provided in this subparagraph, UAA shall not incur or permit to exist any liens on the Facilities or indebtedness, including contingent obligations, secured by or payable out of any revenues from the Facilities except for the following:

(i) Any such indebtedness specifically subordinated in priority of lien and right of payment to the rights of the Trustee pursuant to agreements satisfactory to the Trustee;

(ii) Additional Bonds issued pursuant to Section 2.07 hereof; and

(iii) Other indebtedness ranking pari passu with the obligations hereunder if such indebtedness could have been issued as Additional Bonds (i.e. upon satisfaction of the applicable provisions of Section 2.07 hereof).
Notwithstanding the preceding language, no such liens may be incurred or permitted to exist unless permitted by each Credit Facility Agreement.

Section 6.25 Maintenance. UAA shall maintain and preserve all of the Improvements and Facilities in good working order, making from time to time all necessary repairs and replacements.

Section 6.26 Continuing Disclosure. In accordance with applicable securities laws and in the event of a conversion of the Rate Period for the Bonds of any series to a Multiannual Rate Period, to a Fixed Rate Period or to any Rate Period after such Bonds have been in a Bank Rate Bond Rate Period, provided such Bonds are sold to the public, UAA shall execute and deliver a certificate of continuing disclosure in form and substance reasonably acceptable to the Remarketing Agent to remain in effect until such Bonds are redeemed in whole or mature. The Trustee does not have a duty to enforce the continuing disclosure obligations of UAA under the Rule; however, the Trustee, any Bond Insurer, any Credit Facility Provider or any Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause UAA to comply with its obligations under the Rule.

Section 6.27 Liquidity Covenant. UAA shall maintain unrestricted cash, marketable securities and investments in an amount greater than twenty-five percent (25%) of its total indebtedness, as at the end of each fiscal year based upon the financial information set forth in the annual audited financial statements of UAA. Between annual measurement dates, UAA shall not be required to maintain such level of liquidity.
Section 4.12 Casualty. Neither the business nor the Property of the Applicant is currently affected by any fire, explosion, accident, strike, lockout or other labor dispute, drought, storm, hail, earthquake, embargo, act of God or of the public enemy or other casualty (whether or not covered by insurance), materially and adversely affecting the business, Properties or operations of the Applicant.

Section 4.13 Investment Company. The Applicant is not an “investment company” or a company “controlled” by an “investment company,” within the meaning of the Investment Company Act of 1940, as amended.

Section 4.14 Public Utility Holding Company. The Applicant is not a “holding company,” or a “subsidiary company” of a “holding company”, or an “affiliate” of a “holding company” or a “subsidiary company” of a “holding company”, within the meaning of the Public Utility Holding Company Act of 1935, as amended.

Section 4.15 No Defaults. No Potential Default or Event of Default has occurred and is continuing.

Section 4.16 Incorporation of Representations and Warranties by Reference. The Applicant hereby makes to the Bank the same representations and warranties as are set forth by it in each Related Document to which it is a party, which representations and warranties, as well as the related defined terms contained therein, are hereby incorporated herein by reference for the benefit of the Bank with the same effect as if each and every such representation and warranty and defined term were set forth herein in its entirety and were made as of the date hereof. No amendment to such representations and warranties or defined terms made pursuant to any Related Document shall be effective to amend such representations and warranties and defined terms as incorporated by reference herein without the prior written consent of the Bank.

ARTICLE FIVE

Covenants

The Applicant will do the following so long as any amounts may be drawn under the Letter of Credit or any Obligations remain outstanding under this Agreement, unless the Bank shall otherwise consent in writing:

Section 5.1 Corporate Existence, Etc. The Applicant will maintain its corporate existence. The Applicant will preserve and keep in force and effect and maintain all licenses, permits, franchises and qualifications necessary to the proper conduct of its business. The Applicant will continue to engage in a business of the same general type as now conducted by it.

Section 5.2 Maintenance of Properties. The Applicant will maintain, preserve and keep its Property in good repair, working order and condition (ordinary wear and tear excepted).

Section 5.3 Compliance with Laws; Taxes and Assessments. The Applicant will comply with all applicable laws, rules, regulations and orders applicable to it and its Property
(d) promptly after receipt thereof, any additional written reports, management letters or other detailed information contained in writing concerning significant aspects of the Applicant's operations and financial affairs given to it by its independent public accountants;

(e) promptly after knowledge thereof shall have come to the attention of any responsible officer of the Applicant, written notice (i) of any threatened or pending litigation or governmental proceeding against the Applicant [claiming money damages in excess of U.S. $1 million and] which, if adversely determined, could adversely affect the financial condition, Property, business or operations of the Applicant or (ii) of the occurrence of any Potential Default or Event of Default hereunder;

(f) promptly after the sending or filing thereof, copies of all financial statements (unless already provided pursuant to (a) and (b) above) and reports which the Applicant sends to its donors or other stakeholders and copies of all regular, periodic and special reports which the Applicant files with the Securities and Exchange Commission (or any successor thereto), or with any national securities exchange;

(g) promptly after knowledge thereof shall have come to the attention of any responsible officer of the Applicant, the incurrence of any event with respect to any retirement or defined benefit plan which would result in the incurrence by the Applicant of any material liability, fine or penalty, or any material increase in the contingent liability of the Applicant with respect to any such plan.

Each of the financial statements furnished to the Bank pursuant to clauses (a) and (b) of this Section shall be accompanied by a written certificate in the form of Exhibit A attached hereto signed by the chief financial officer of the Applicant to the effect that to the best of such officer's knowledge and belief no Potential Default or Event of Default has occurred during the period covered by such statements or, if any such Potential Default or Event of Default has occurred during such period, setting forth a description of such Potential Default or Event of Default and specifying the action, if any, taken by the Applicant to remedy the same. Such certificate shall also set forth the calculations supporting such statements in respect of Section 5.23(a) and (b) of this Agreement; and

Section 5.6 Inspection and Field Audit. The Applicant will permit the Bank and its duly authorized representatives and agents upon reasonable prior notice to visit and inspect any of the Properties, corporate books and financial records of the Applicant to examine and make copies of the books of accounts and other financial records of the Applicant and to discuss the affairs, finances and accounts of the Applicant with, and to be advised as to the same by, its officers and independent public accountants (and by this provision the Applicant authorizes such accountants to discuss with the Bank the finances and affairs of the Applicant) at such reasonable times and reasonable intervals as the Bank may designate.

Section 5.7 Indebtedness. The Applicant will comply with the terms and provisions of the Indenture with respect to the issuance, incurrence, assumption, creation or maintenance of any Indebtedness.
Section 5.8 Liens. The Applicant will comply with the terms and provisions of the Indenture with respect to the creation or incurrence of any Lien of any kind on any Property owned by the Applicant.

Section 5.9 Investments, Acquisitions, Loans and Advances. The Applicant will comply with the terms and provisions of the Indenture with respect to investments, or with respect to loans and advances to other Persons.

Section 5.10 Leases. The Applicant will comply with the terms and provisions of the Indenture with respect to the use or possession of any Property under a lease or similar arrangement.

Section 5.11 Sales and Leasebacks. The Applicant will not enter into any arrangement with any bank, insurance company or any other lender or investor providing for the leasing by the Applicant of any Property theretofore owned by it and which has been or is to be sold or transferred by such owner to such lender or investor.

Section 5.12 Mergers. The Applicant will not be a party to any merger or consolidation.

Section 5.13 Sales of Assets. The Applicant will not sell, lease, assign, transfer or otherwise dispose of any of its now owned or hereafter acquired assets; provided, however, that the foregoing shall not operate to prevent:

(a) sales of inventory in the ordinary course of business;

(b) sale or other disposition of assets no longer used or useful in the conduct of the business the Applicant; and

(c) any sale, lease, assignment, transfer or other disposition permitted under the terms of the Indenture.

Section 5.14 Burdensome Contracts With Affiliates. The Applicant will not enter into any contract, agreement or business arrangement with any of its Affiliates on terms and conditions which are less favorable to the Applicant than would be usual and customary in similar contracts, agreements or business arrangements between Persons not affiliated with each other.

Section 5.15 No Changes in Fiscal Year. The Applicant will not change its fiscal year from its present basis without the prior written consent of the Bank.

Section 5.16 Formation of Subsidiaries. The Applicant will not form or acquire any Subsidiary.

Section 5.17 Related Documents. The Applicant will not amend or consent to any amendment of any Related Document without the consent of the Bank, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, the Applicant may enter into
7. **Covenants of the Issuer.**

The Issuer shall, unless the Bank shall otherwise consent in writing, observe and perform the following covenants and agreements:

(a) **Preservation of Legal Existence and Tax-Exempt Status.** The Issuer shall preserve and maintain its legal existence, rights and privileges in the State of Florida and preserve and maintain its qualification under Section 501(c)(3) of the Code as a tax-exempt organization.

(b) **Compliance with Laws.** The Issuer shall comply in all material respects with all applicable laws, rules, regulations and orders of any governmental authority, noncompliance with which would materially and adversely affect the business or condition of the Issuer, such compliance to include, without limitation, paying before the same become delinquent all material taxes, assessments and governmental charges imposed upon it or upon its property, except to the extent compliance with any of the foregoing is then being contested in good faith.

(c) **Maintenance of Insurance.** The Issuer shall cause to be maintained insurance policies with responsible and reputable insurance companies or associations acceptable to the Bank casualty, public liability and other insurance in such amounts and covering such risks, the form and substance of which policies shall be reasonably satisfactory to the Bank, and, at the written request of the Bank, shall periodically provide evidence of compliance with this covenant to the Bank in the form of certificates of insurance and endorsements. Without limiting the foregoing, the Issuer shall provide the Bank evidence of compliance with the insurance requirements of the Indenture and other customary business insurance.

(d) **Visitation Rights.** At any reasonable time and from time to time upon reasonable notice, the Issuer shall permit the Bank or any agents or representatives of the Bank to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, the Issuer and discuss the general business affairs of the Issuer with its officers.

(e) **Records and Accounts.** The Issuer shall keep true records and books of account in which entries will be made in accordance with Generally Accepted Accounting Principles consistently applied and will maintain accounts and reserves adequate in the reasonable opinion of the Issuer for all taxes, all depreciation, depletion, obsolescence and amortization of its properties, all other contingencies and all other proper reserves.

(f) **Payments of Debts, Taxes.** The Issuer shall pay, or cause to be paid, all of its debts and perform, or cause to be performed, all of its obligations promptly and in accordance with the respective terms thereof, and promptly pay and discharge, or cause to be paid and discharged, all taxes, assessments and governmental charges or levies imposed upon it, upon its income or receipts, if any, or upon any of its assets or properties before the same shall become in default, as well as pay all lawful claims for labor, materials and supplies or otherwise that, if not so paid, could or would result in the imposition of a lien or charge upon such assets or properties or any part thereof; provided, however, that it shall not constitute an Event of Default hereunder if the Issuer fails to perform any such obligation or to pay any such debt (except for any
(iii) **Compliance Certificate.** Together with the annual reports required by clause (ii) above, a certificate from the chief financial officer of the Issuer stating that there exists no Event of Default and no facts that with notice or lapse of time or both would constitute such an Event of Default, which certificate shall demonstrate in reasonable detail the compliance of the Issuer with the covenants set forth in Paragraph 8;

(iv) **Accountants' Reports.** Promptly upon receipt thereof, upon request of the Bank, copies of any report submitted to the Issuer by independent accountants in connection with each annual, interim or special audit of the books of the Issuer made by such accountants that substantiate or detail the figures reported in such audit and, promptly upon the occurrence thereof, notice of the resignation or discharge of any independent accountants now or hereafter employed by the Issuer; and

(v) **Other information.** With reasonable promptness, such other financial information as the Bank may reasonably request.

(j) **Notice of Litigation.** The Issuer shall notify the Bank of any actions, suits or proceedings instituted by any Person against it claiming money damages in excess of $1,000,000 or which otherwise might have a material adverse impact on its assets or business operations, said notice to be given along with the semi-annual and annual reports required by Subparagraph 7(i)(i) and (ii), and to specify the amount of damages being claimed or other relief being sought, the nature of the claim, the Person instituting the action, suit or proceeding, and any other significant features of the claim.

(k) **Compliance with Indenture.** The Issuer shall comply with all of the terms, covenants and conditions contained in the Indenture and the compliance therewith shall be deemed to be for the benefit of the Bank as if said terms, covenants and conditions were contained herein in their entirety.

(l) **Negative Pledge.** Except as permitted in subparagraph 7(f) above, the Issuer shall not create, incur, assume or suffer to exist any Lien or other encumbrance on any of the Issuer’s assets, now existing or hereafter acquired, without obtaining the Bank’s prior written consent and unless the Bank and each Owner of Bank Rate Bonds has otherwise consented in writing, the Issuer shall not mortgage, pledge or otherwise grant a security interest in property (real, personal or mixed), including any of its revenues, to secure any indebtedness, except for the incurrence of obligations under capitalized leases or under loan agreement secured by mortgages or liens, or under conditional sales contracts or purchase money mortgages, so long as the principal amount of such obligations, net of any funded reserves, does not in the aggregate exceed $500,000.

8. **Financial Covenants of the Issuer.**

The Issuer covenants and agrees as follows:
September 1, 2011

Mr. Jeremy Foley  
Ms. Susan Parrish  
The University Athletic Association, Inc.  
Stadium West, Gale Lemerand Drive  
Gainesville, Florida 32611

Re: Release and consent to termination of lien upon  
and pledge of Stadium Net Revenues

Ladies and Gentlemen:

Reference is made to that certain Third Amended and Restated Letter of Credit Agreement, dated as of October 1, 2007 and that certain Credit and Purchase Agreement, dated as of January 1, 2011 (collectively, the "Credit Documents"), each between SunTrust Bank (the "Bank") and The University Athletic Association, Inc. (the "Association"). In particular, this letter addresses the lien upon and pledge of Stadium Net Revenues (the "Stadium Net Revenues") to secure the obligations of the Association to repay the Bank under the Credit Documents, each as granted in Clause 2(g) of the respective Credit Documents.

The Association has advised the Bank that: (i) all other debt issued by it is, and will remain, unsecured, and (ii) there are significant additional revenues in addition to Stadium Net Revenues from which indebtedness of the Association can be repaid.

For and in consideration of the representations made herein, the Bank hereby agrees and consents to: (i) the deletion of Clause 2(g) of the respective Credit Documents with the effect that the lien on Stadium Net Revenues is no longer in effect and (ii) a revision to Clause 7(l) of the respective Credit Documents to read as follows:

(l) Negative Pledge. Except as permitted in Clause 7(f) above, the Issuer shall not create, incur, assume or suffer to exist any Lien or other encumbrance on any of the Issuer's assets, now existing or hereafter acquired, without obtaining the Bank's prior written consent and unless the Bank and each Owner of Bank Rate Bonds has otherwise consented in writing, the Issuer shall not mortgage, pledge or otherwise grant a security interest in property (real, personal or mixed), including any of its revenues, to secure
any indebtedness, except for the incurrence of obligations under capitalized
leases or under loan agreement secured by mortgages or liens, or under
conditional sales contracts or purchase money mortgages, so long as the
principal amount of such obligations, net of any funded reserves, does not in
the aggregate exceed $500,000.

As consideration for such release and consent, the Association covenants to the Bank
that all indebtedness to the Bank shall continue to be payable on a parity with the most senior
debt of the Association and that any future pledge to secure such senior debt shall not be
given without the Bank being granted the same security.

This release and consent does not constitute a release, consent, waiver or amendment
in connection with any other provision of the Credit Documents or of any other financing
document delivered in connection with the financings related to the Credit Documents. By
its agreement to and acceptance of this release and consent, the Association ratifies and
confirms all of the provisions of the Credit Documents to the extent not inconsistent with the
release and consent of the Bank contained herein and the covenant of the Association
contained in the last sentence of the immediately preceding paragraph hereof.

[Remainder of this page intentionally left blank]
This release and consent shall be effective as of the later of date hereof or the date on which the Association agrees to and accepts this release and waiver, and the Bank acknowledges that it has received adequate consideration therefore.

Very truly yours,

SUNTRUST BANK

By: __________________________
    Lisa Hayes
    Senior Vice President

Agreed to and Accepted:

THE UNIVERSITY ATHLETIC ASSOCIATION, INC.

By: __________________________
    Jeremy N. Foley
    Director of Athletics

Date: September 6, 2011
Tab i.

Financial Statements
UAA Financial Statements are available upon request.
Tab j.

5 Year History and Projections
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<thead>
<tr>
<th>Fiscal Year</th>
<th>Operating Revenues</th>
<th>Operating Expenses</th>
<th>Operating Income (loss)</th>
<th>Capital Contributions</th>
<th>Increase in Net Assets</th>
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**Note - Minimum Debt Service Coverage occurs in 2017-2018**

**Maximum Debt Service Coverage**

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<th>Minimum Debt Service Coverage</th>
<th>1.69</th>
<th>1.62</th>
<th>1.67</th>
<th>1.73</th>
<th>1.78</th>
</tr>
</thead>
</table>

¹ Salaries are itemized out for projection purposes, but are included in the team/departmental operating expenses in the audited financial statements (this has been a request of the BOG and DBF in the past).

² The contribution to UF is not always guaranteed to the University, if excess revenue is not available we would not make this annual contribution.
UAA Projection Assumptions

The proposed projections are based on a 3.5% increase for most operating revenues and expenses. The budget approach for the University Athletic Association continues to reflect our commitment to only obligating the Association to expenses that can be met in future years and keep revenue and expense line items in sync.

Projected increase in revenue are based on the following:

- SEC contractual television Revenue (Football Revenue)
  - The Southeastern Conference estimates the revenue generated from this contract could mean an estimated $6-$10 million in new revenue for the member institutions.

- SEC Bowl Revenue (Football Revenue)
  - The Southeastern Conference has entered into new bowl agreements that were effective with the start of the 2014 football season and would again generate an estimated $3-$6 million in new revenue for the member institutions.

- History of growth in Royalties & Sponsorship

The following operating revenues and expenses and nonoperating revenues have been projected to remain flat over the next five years:

- Camp revenue & expense
- Depreciation & amortization
- Contributions to UF

Capital contributions have been removed from the estimates to indicate that the Association has the financial strength to cover our debt without relying on capital contributions.
Tab k.

University Master Plan
MEMORANDUM

TO: Whom It May Concern

FROM: Linda B. Dixon, AICP, Director of Planning

DATE: December 8, 2014

SUBJECT: Campus Master Plan Consistency for UAA 2014-2015 Projects

The Planning, Design and Construction Division of the University of Florida is responsible for maintaining the campus master plan. As Director of Planning, my role is to ensure ongoing implementation, monitoring, updates and amendments to this plan. In this role, I have reviewed the University Athletic Association (UAA) 2014-2015 projects and related bond issue. These projects include:

UAA-34, Office of Student Life
UAA-35, Indoor Football Practice Facility

These UAA projects consist of space that supports the intercollegiate athletics program at the University of Florida. The projects are consistent in scope and location with the University of Florida’s Campus Master Plan for the years 2005-2015. The Campus Master Plan was developed and adopted in accordance with the provisions of Chapter 1013.30 Florida Statues by the University of Florida Board of Trustees on March 31, 2006. An amendment was approved on December 2, 2014 to include the UAA 34 and UAA 35 projects in the Capital Improvements Element of the 2005-2015 Campus Master Plan.
Table 1.

Variable Rate Debt Proposal
Experience with Variable Rate Debt

The University Athletic Association has been a borrower in the tax-exempt bond market since 1966 and the existing bond structure has been in place since 1990. UAA currently has an underlying rating of A+/Stable from S&P. It is the intention of the UAA to issue up to $15,000,000 in daily or weekly variable rate debt or short-term fixed rate debt (1-5 years). However, we respectfully request the financial flexibility to issue longer term obligations depending on market conditions at the time of issuance.

While conservatively limiting the use of debt, the UAA is aggressive in the active debt management of its obligations to minimize interest cost, deftly respond to the changing economic and financial markets, and ensure that our mix of fixed and variable rate debt is appropriate for our mission and risk profile.

The following information is provided to support the request to issue debt in the mode to be selected at the time of issuance, which may include daily or weekly variable rate debt.

\textit{i) Expected Reduction in Borrowing Costs}

Over the past 10 years, the UAA estimates an average weekly and daily variable rate debt cost of under 2.98%, including remarketing, liquidity fees, and any trading premium. Issuers of variable rate debt have been rewarded historically, with an average SIFMA index rate of 2.14% since December 1991, compared to an average 30 year Insured MMD index of 4.83% during the same period.

\begin{table}
\centering
\begin{tabular}{|c|c|c|}
\hline
\textbf{Summary} & \textbf{30 Year AAA MMD} & \textbf{SIFMA} \\
\hline
Current & 3.37 & 0.04 \\
Average & 4.83 & 2.14 \\
Minimum & 2.91 & 0.03 \\
Maximum & 7.25 & 7.96 \\
\hline
\end{tabular}
\caption{Insured 30 Year MMD Index vs. SIFMA – December 1991 to December 2014}
\end{table}

**ii) Variable Rate Debt Management Plan**

The UAA has demonstrated that the organization is in the position to mitigate the effect of rising interest rates through the availability of cash reserves, both long and short term and through the flexibility of the current indenture.

Since 1991, the UAA has utilized a combination of weekly and daily variable rate debt, and 1 – 15 year fixed rate tranches. The UAA’s asset profile includes cash and investments of $111 million. When daily and weekly variable rate debt has been outstanding, the UAA has monitored the interest rates on a daily basis, and responded quickly when events affected the variable rate market such as the financial institution crisis in 2008 and the downgrades of the previous credit provider, SunTrust. In response to each of these events, the UAA’s finance team immediately met to review the available alternatives, such as alternate credit providers and conversion to fixed rate debt. The UAA is fully aware of the risks associated with variable rate financing, and carefully considers these risks in addition to the benefits of lower interest cost, asset-liability management and flexibility.

As of June 30, 2014, the UAA’s cash, cash equivalents and short-term investments totaled $54.2 million and the long term investment balance was $56.9 million. The long term investment fund can be fully liquidated within 90 days.

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 7,980,766</td>
<td>$ 10,765,628</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>46,187,899</td>
<td>45,734,048</td>
</tr>
<tr>
<td>Accounts and other receivables, net</td>
<td>21,049,672</td>
<td>15,179,361</td>
</tr>
<tr>
<td>Inventories</td>
<td>42,429</td>
<td>36,761</td>
</tr>
<tr>
<td>Prepaid expenses and other assets – current portion</td>
<td>1,720,679</td>
<td>1,685,386</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>76,981,445</strong></td>
<td><strong>73,401,184</strong></td>
</tr>
<tr>
<td>Noncurrent assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>56,900,246</td>
<td>51,626,587</td>
</tr>
<tr>
<td>Prepaid expenses and other assets, less current portion</td>
<td>107,227</td>
<td>160,948</td>
</tr>
<tr>
<td>Capital assets not being depreciated</td>
<td>3,947,452</td>
<td>3,753,482</td>
</tr>
<tr>
<td>Capital assets being depreciated, net of accumulated depreciation</td>
<td>167,971,599</td>
<td>171,300,344</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td><strong>228,926,524</strong></td>
<td><strong>226,841,361</strong></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$ 305,907,969</strong></td>
<td><strong>$ 300,242,545</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$ 7,412,630</td>
<td>$ 7,543,225</td>
</tr>
<tr>
<td>Accrued compensated absences – current portion</td>
<td>234,000</td>
<td>290,000</td>
</tr>
<tr>
<td>Contracts payable – current portion</td>
<td>83,333</td>
<td>83,333</td>
</tr>
<tr>
<td>Long-term debt – current portion</td>
<td>4,080,000</td>
<td>4,085,000</td>
</tr>
<tr>
<td>Deferred revenues – current portion</td>
<td>55,193,494</td>
<td>53,991,123</td>
</tr>
<tr>
<td>Agency funds payable</td>
<td>-</td>
<td>22,803</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td><strong>67,003,457</strong></td>
<td><strong>66,015,484</strong></td>
</tr>
<tr>
<td>Noncurrent liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Longevity incentive payable</td>
<td>468,334</td>
<td>205,000</td>
</tr>
<tr>
<td>Accrued compensated absences, less current portion</td>
<td>1,473,462</td>
<td>1,320,213</td>
</tr>
<tr>
<td>Contracts payable, less current portion</td>
<td>175,657</td>
<td>256,663</td>
</tr>
<tr>
<td>Deferred revenues, less current portion</td>
<td>3,346,117</td>
<td>5,539,651</td>
</tr>
<tr>
<td>Long-term debt, less current portion</td>
<td>80,630,000</td>
<td>84,710,000</td>
</tr>
<tr>
<td><strong>Total noncurrent liabilities</strong></td>
<td><strong>86,093,570</strong></td>
<td><strong>92,031,527</strong></td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>$ 153,097,027</strong></td>
<td><strong>$ 158,047,011</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET POSITION</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net position</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment in capital assets</td>
<td>$ 87,209,051</td>
<td>$ 86,258,826</td>
</tr>
<tr>
<td>Restricted for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital projects</td>
<td>15,121,770</td>
<td>12,234,832</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>50,480,121</td>
<td>43,701,876</td>
</tr>
<tr>
<td><strong>Total net position</strong></td>
<td><strong>$ 152,810,942</strong></td>
<td><strong>$ 142,195,534</strong></td>
</tr>
</tbody>
</table>
The flexibility within the indenture allows the UAA to convert all or a portion of the variable rate indebtedness to another interest rate mode, including a long term fixed rate, if the market dictates.

The University of Florida has adopted the debt management policy of the Board of Governors as created by the Division of Bond Finance. The University Athletic Association plans to issue its debt pursuant to the bond program that has been in place since 1990.

**iii) Pro Forma**

A pro forma showing the fiscal feasibility and expenses associated with the proposed issuance is included here and under Checklist Item 10. We have utilized conservative assumptions of 20 year variable rate debt with level principal payments at a rate of 6.00% in our forecasts, and still project debt service coverage of well over 1.86x over for 2015-2016. The UAA’s average debt service coverage for the last 5 years has been over 4.03x.

The Association continues to be in excellent financial condition as a result of a supportive fan base and a successful Gator Booster organization. Operating revenues are expected to increase in fiscal 2014-2015 as a result of increases in SEC-related revenue, men’s basketball game ticket revenue, facility rentals and royalty revenue. The Association continued with cost cutting measures to keep increases in the Association’s operating expenses to a minimum. As a result, our coaches and staff continue to be challenged to run a first class program while ensuring that revenues are spent wisely. With the University facing ongoing financial pressures due to the State’s economic downturn and legislative priorities, the Association will strive to continue to provide funding to UF. The increased revenue will allow the Association to continue to contribute to the University, while operating its programs at the highest level, focusing on student athletes, teams, coaches and staff and maintaining facilities of the highest quality.

**iv) Outstanding Debt**

The UAA has a conservative yet proactive practice regarding debt. The UAA has made a significant commitment to buildings and improvements, and $127.9 million has been spent on capital assets since 2005. The funding for these projects has come from primarily from operating funds and private capital contributions, with only 27% funded through the issuance of debt. With annual revenues of over $100 million, the UAA currently has only $80 million in debt.

The outstanding debt as of October 1, 2014 is $80,630,000 plus new issuance of up to $15,000,000, for a proposed total of up to $95,630,000.
<table>
<thead>
<tr>
<th>Date</th>
<th>Principal 2005</th>
<th>Principal 2001</th>
<th>Total 2001</th>
<th>Total 2005</th>
<th>Total Balance</th>
<th>15 Year Fixed Rate at 3.83% with SunTrust</th>
</tr>
</thead>
<tbody>
<tr>
<td>10/1/14</td>
<td>730,000</td>
<td>600,000</td>
<td>1,330,000</td>
<td>22,195,000</td>
<td>24,950,000</td>
<td>$22,195,000 = 15 year fixed rate at 3.83% with SunTrust leasing</td>
</tr>
<tr>
<td>10/1/15</td>
<td>735,000</td>
<td>600,000</td>
<td>1,335,000</td>
<td>24,950,000</td>
<td>24,950,000</td>
<td>24,950,000 = 5 year fixed rate at 1.91% with SunTrust, mandatory tender 11/01/18</td>
</tr>
<tr>
<td>10/1/16</td>
<td>740,000</td>
<td>600,000</td>
<td>1,340,000</td>
<td>24,950,000</td>
<td>19,530,000</td>
<td>19,250,000 = 5 year fixed rate at 1.60% with PNC, mandatory tender 10/01/16</td>
</tr>
<tr>
<td>10/1/17</td>
<td>750,000</td>
<td>600,000</td>
<td>1,350,000</td>
<td>24,950,000</td>
<td>18,190,000</td>
<td><strong>Daily Rate Mode</strong></td>
</tr>
<tr>
<td>10/1/18</td>
<td>765,000</td>
<td>600,000</td>
<td>1,365,000</td>
<td>24,950,000</td>
<td>16,840,000</td>
<td>15 Year Fixed Rate at 3.83% with SunTrust</td>
</tr>
<tr>
<td>10/1/19</td>
<td>785,000</td>
<td>600,000</td>
<td>1,385,000</td>
<td>24,950,000</td>
<td>15,475,000</td>
<td><strong>Daily Rate Mode</strong></td>
</tr>
<tr>
<td>10/1/20</td>
<td>805,000</td>
<td>600,000</td>
<td>1,415,000</td>
<td>24,950,000</td>
<td>14,190,000</td>
<td>15 Year Fixed Rate at 3.83% with SunTrust</td>
</tr>
<tr>
<td>10/1/21</td>
<td>825,000</td>
<td>600,000</td>
<td>1,445,000</td>
<td>24,950,000</td>
<td>12,940,000</td>
<td><strong>Daily Rate Mode</strong></td>
</tr>
<tr>
<td>10/1/22</td>
<td>845,000</td>
<td>600,000</td>
<td>1,475,000</td>
<td>24,950,000</td>
<td>11,735,000</td>
<td>15 Year Fixed Rate at 3.83% with SunTrust</td>
</tr>
<tr>
<td>10/1/23</td>
<td>865,000</td>
<td>600,000</td>
<td>1,505,000</td>
<td>24,950,000</td>
<td>10,525,000</td>
<td><strong>Daily Rate Mode</strong></td>
</tr>
<tr>
<td>10/1/24</td>
<td>885,000</td>
<td>600,000</td>
<td>1,535,000</td>
<td>24,950,000</td>
<td>9,315,000</td>
<td>15 Year Fixed Rate at 3.83% with SunTrust</td>
</tr>
<tr>
<td>10/1/25</td>
<td>905,000</td>
<td>600,000</td>
<td>1,565,000</td>
<td>24,950,000</td>
<td>8,105,000</td>
<td><strong>Daily Rate Mode</strong></td>
</tr>
<tr>
<td>10/1/26</td>
<td>925,000</td>
<td>600,000</td>
<td>1,595,000</td>
<td>24,950,000</td>
<td>6,895,000</td>
<td>15 Year Fixed Rate at 3.83% with SunTrust</td>
</tr>
<tr>
<td>10/1/27</td>
<td>945,000</td>
<td>600,000</td>
<td>1,625,000</td>
<td>24,950,000</td>
<td>5,685,000</td>
<td><strong>Daily Rate Mode</strong></td>
</tr>
<tr>
<td>10/1/28</td>
<td>965,000</td>
<td>600,000</td>
<td>1,655,000</td>
<td>24,950,000</td>
<td>4,475,000</td>
<td>15 Year Fixed Rate at 3.83% with SunTrust</td>
</tr>
<tr>
<td>10/1/29</td>
<td>985,000</td>
<td>600,000</td>
<td>1,685,000</td>
<td>24,950,000</td>
<td>3,265,000</td>
<td><strong>Daily Rate Mode</strong></td>
</tr>
<tr>
<td>10/1/30</td>
<td>1,005,000</td>
<td>600,000</td>
<td>1,715,000</td>
<td>24,950,000</td>
<td>2,055,000</td>
<td>15 Year Fixed Rate at 3.83% with SunTrust</td>
</tr>
<tr>
<td>10/1/31</td>
<td>1,025,000</td>
<td>600,000</td>
<td>1,745,000</td>
<td>24,950,000</td>
<td>0</td>
<td><strong>Daily Rate Mode</strong></td>
</tr>
</tbody>
</table>

**Total** 18,195,000 = 15 year fixed rate at 3.83% with SunTrust leasing

$22,195,000 = 15 year fixed rate at 3.83% with SunTrust leasing

24,950,000 = 5 year fixed rate at 1.91% with SunTrust, mandatory tender 11/01/18

19,250,000 = 5 year fixed rate at 1.60% with PNC, mandatory tender 10/01/16

14,235,000 = Daily Rate mode with Chase LOC expiring 3/27/15

$80,630,000 = Total Outstanding Debt
v) Financing Team

The UAA has a core group of key individuals that have been instrumental in the development and the monitoring of the UAA debt structure. These key individuals include, but are not limited to:

- Jeremy Foley, Director of Athletics. Jeremy has been employed by the Athletic Association since 1976 and has been in his current position since 1992.

- Melissa Stuckey, Associate Athletics Director, Business Manager. Melissa has been employed by the Athletic Association since 1997 and in her current role since 2005.

- Casey Owens, Director of Financial Operations. Casey has been employed with the Athletic Association in her current role since 2005.

- Aimee Quick C.P.A., Director of Financial Reporting. Aimee is an employee effective January 5, 2015. Prior to this time Aimee has experience in both the public and private accounting fields.

- The University Athletic Association retains Bond Counsel with McGuireWoods LLP of New York, NY and Jacksonville, FL and the University of Florida General Counsel's Office.

- The University Athletic Association retains RBC Capital Markets to provide financial advisory services.

- The University Athletic Association retains Tax Counsel with KPMG

This group is also involved in the structuring of the proposed additional debt and would continue their roles monitoring the remarketing of variable rate debt and making appropriate changes if necessary.
Legislative Approval

Specific legislative approval of the Project financing is required and is being sought. Final approval is expected to be obtained no later than July 1, 2015. F.S. 1010.62(7) (a) sets forth the four criteria for financings which do not require specific approval but instead are generally approved by virtue of the type or category of project being financed. This Project satisfies three of the four criteria. However, because the project is an athletics project and does not fall within one of the categories for which general approval is provided by F.S. 1010.62(7) (a), e.g., housing, transportation, and health care, approval of this specific project is required.
Tab n.

Debt Management Policy
Debt Management Policy

The University of Florida has adopted the debt management policy of the Board of Governors as created by the Division of Bond Finance. The University Athletic Association plans to issue its debt in accordance with these policies. As well, the Association has established a post issuance tax compliance and monitoring procedures policy which is attached.
POST-ISSUANCE TAX COMPLIANCE AND MONITORING PROCEDURES
FOR 501(C)(3) ENTITIES

The University Athletic Association, Inc. (the “Borrower”) hereby adopts the following
post-issuance tax compliance and monitoring procedures with respect to any tax-exempt
obligations issued for the benefit of the Borrower.

Overall administration and coordination of this policy is the responsibility of the Borrower’s
Jeremy N. Foley (the “Oversight Officer”).

References made herein to a “bond” or “bonds” shall be applicable to bonds, notes and other tax-
exempt qualified 501(c)(3) obligations.

1. Purpose

Borrowers of the proceeds of tax-exempt qualified 501(c)(3) bonds must comply with federal tax
rules relating to expenditure of proceeds for qualified costs, rate of expenditure, use of bond-
financed property, investment of proceeds in compliance with arbitrage rules, and retention of
records. The following procedures are intended to establish compliance with these rules.

2. Delegation of Responsibility

To the extent that any of the responsibilities set forth in these Tax Compliance Procedures are
delegated to the issuer, a trustee or any other party, the Borrower will keep a record of such
delegations with respect to each bond issue.

3. Schedule of Reviews

The Borrower will establish routines for monitoring on-going compliance that are consistent with
discovering any noncompliance in a timely manner so that it may be corrected. While specific
review processes are described in detail below, timing for such reviews will be as follows:

(a) Non-Exempt Use. All contracts, leases or other arrangements providing special
legal entitlement to use of bond-financed facilities will be reviewed prior to
execution to ensure that they will not cause private use limits to be exceeded with
respect to any issue of bonds.

(b) Arbitrage Compliance: With respect to each bond issue, the Borrower will ensure
that it understands at the time of bond closing which funds and accounts
containing bond proceeds may become subject to yield-restriction investment
rules and will keep a record of the dates upon which such rules will begin to
apply.

(c) Rebate Compliance: While rebate calculations may be performed more often, the
Borrower will ensure upon the fifth anniversary date of the issuance date of the
bonds, every five years thereafter, and upon final retirement of the bonds, that
either no rebate is owed or provision has been made for the payment of any rebate owed within 60 days.

(d) **Change in Use/Ownership:** Prior to executing any contract, lease or other document which would materially change the use of the bond-financed project or selling of any bond-financed property, the Borrower will (i) confirm that such change will not require a remedial action to be taken with respect to any bond issue, (ii) take a remedial action, if necessary, or (iii) discuss with bond counsel whether a voluntary closing agreement with the Internal Revenue Service is appropriate.

(e) **Allocation of Bond Proceeds:** The Borrower will continuously monitor the allocation of bond proceeds to property that qualify for tax-exempt financing and maintain reasonable records of any allocation of non-bond proceeds to the costs of property in private use.

4. **Tax Requirements Associated with Sale and Issuance of Bonds**

Review and retention of tax documents related to the sale and issuance of bonds will be supervised by the Oversight Officer.

(a) The "issue price", as defined in the Internal Revenue Code of 1986, as amended (the "Code"), of the bonds will be documented at the time of issuance. Certifications of an underwriter, placement agent or purchaser and a final numbers package will establish "issue price" and will be reviewed and included in the bond transcript or other records maintained for the bond issue.

(b) The weighted average maturity of the bonds (taking into account the various issue prices of the maturities of the bonds) will be documented at the time of issuance.

(c) An estimated average economic life of the expected bond-financed projects will be documented at the time of issuance or at such time as bond proceeds are allocated to such property.

(d) Form 8038 will be reviewed and filed not later than the 15th day of the 2nd calendar month following the quarter in which the bonds were issued. Filing of the Form 8038 will be confirmed with the issuer and/or bond counsel

(e) If the issue price of the bonds differs more than a de minimis amount (more than a 2% discount or premium) from the issue price at closing, the new issue price will be reported to EMMA within 30 days of closing and bond counsel for the issue will be notified.

5. **Expenditure of Proceeds**

Expenditure of bond proceeds will be reviewed by the Oversight Officer.
(a) Establish form and procedure for preparation and review of requisitions of bond proceeds.

(b) Requisitions must identify the financed property in conformity with the “TEFRA” public approval for the bonds and the tax certificate executed by the Borrower at closing, including certifications as to the location and character of the bond-financed property.

(c) Investment earnings on sale proceeds of the bonds will be tracked independent of other investments and will be requisitioned only for appropriate expenditures.

(d) The Borrower will verify that all costs for which it submits requisitions are capital expenditures, except as otherwise permitted under the Tax Certificate.

(e) The Borrower will verify directly, or through its accountants, that the average economic life of the bond-financed projects, taking into account actual expenditures, complies with the requirement that the weighted average maturity of the bonds is not more than 120% of the average economic life of the bond-financed projects.

(f) Requisitions for costs that were paid prior to the issuance of the bonds are, in general, limited to capital costs paid subsequent to, or not more than 60 days prior to, the date a “declaration of intent” to reimburse the costs was adopted by an authorized officer of the Borrower or by the issuer.

(g) No more than 2% of proceeds may be requisitioned to pay costs of issuing the bonds, including any underwriting discount or placement fee.

(h) Bond-funded reserve funds cannot exceed the least of (i) 10% of the par amount of the bonds (or the issue price of the bonds, if there is more than a de minimis amount of original issue discount or premium), (ii) maximum annual debt service, and (iii) 125% of average annual debt service. The initial funding of any reserve fund will be measured against this limit.

(i) Requisitions will be summarized in a “final allocation” of proceeds to uses not later than 18 months after the in-service date of the financed property (and in any event not later than 5 years and 60 days after the issuance of the bonds). The format of this allocation will conform to the use of proceeds reported on Schedule K of Form 990 and identify amounts spent on different projects and properties.

(j) Expenditure of proceeds should be measured against the tax certificate expectation to spend or commit 5% of net sale proceeds within 6 months, to spend 85% of net sale proceeds within 3 years, and to proceed with due diligence to complete the project and fully spend the net sale proceeds. To the extent that the Borrower is unable to comply with the above expectations, the reason for delay should be documented and retained with records regarding the bond issue.
(k) Expenditure of proceeds will be monitored for compliance with spending exceptions to the rebate requirement, as follows:

(i) If the six-month spending exception applies, expenditure of gross proceeds will be monitored against the following schedule.

100% within 6 months

(ii) If the 18-month spending exception applies, expenditure of gross proceeds will be monitored against the following schedule.

15% within 6 months
60% within 12 months
100% within 18 months

(iii) If the two-year spending exception applies, expenditure of "available construction proceeds" will be measured against the following schedule.

10% within 6 months
45% within 12 months
75% within 18 months
100% within 24 months

6. Use and Ownership of Bond-Financed Property

Use of bond-financed property when completed and placed in service will be reviewed by the Oversight Officer.

(a) Average private (non-exempt) use of bond-financed property over the life of the issue cannot exceed 5% of the proceeds. For this purpose, private (non-exempt) use includes use by business users, use by the Borrower (or any other 501(c)(3) organization) in an unrelated trade or business subject to unrelated business income tax, and use of proceeds to pay costs of issuance. For this purpose, "proceeds" do not include amounts deposited in a reasonably required reserve fund.

(b) Private (non-exempt) use in each category will be determined annually as a percentage of total use of proceeds of the issue and will be reported on Form 990 Schedule K or recorded separately if Schedule K is not applicable.

(c) Agreements with business users for lease, management, sponsored research, or any other potential private (non-exempt) use of bond-financed property will be reviewed prior to execution for compliance with the 5% limit and reporting on Form 990 Schedule K. This review will include a determination of whether any arrangement meets the safe harbors of Internal Revenue Service Rev. Proc. 97-13, as modified by Rev. Proc. 2001-39, or, with respect to research arrangements, Rev. Proc. 2007-47. It will also include a determination of whether any arrangement meets the exception for incidental use under Treas. Reg. § 1.141-
3(d)(5), the exception for general public use under Treas. Reg. § 1.141-3(c), or the exception for certain short-term arrangements under Treas. Reg. § 1.141-3(d)(3). In addition to these exceptions, it may be possible for the the private business use to be allocated to non-bond proceeds. If there is such a situation, Bond Counsel will be consulted to assist in documenting the permitted allocation of private business use to property financed from sources other than bond proceeds.

(d) Unrelated trade or business will be reviewed annually for compliance with the 5% limit and reporting on Schedule K.

(e) All bond-financed property will be owned by a 501(c)(3) organization or a state or local governmental entity.

(f) No item of bond-financed property will be sold or transferred prior to the end of its reasonably expected useful life to a non-exempt party without advance arrangement of a “remedial action” under the applicable Treasury regulations (see Treas. Reg. §§ 1.141-12 and 1.145-2). To the extent that bond-financed equipment is sold or transferred to a non-exempt party at the end of its reasonably expected useful life, the Borrower will allocate any proceeds from such sale or disposition to other equipment which is owned by a 501(c)(3) organization.

7. Investments

Investment of bond proceeds in compliance with the arbitrage bond rules and rebate of arbitrage will be supervised by the Oversight Officer.

(a) Guaranteed investment contracts ("GIC") will be purchased only using the three-bid "safe harbor" of applicable Treasury regulations (see Treas. Reg. § 1.148-5(d)(6)(iii)), in compliance with fee limitations on GIC brokers (see Treas. Reg. § 1.148-5(e)(2)(iii)); provided, however, that to the extent that the safe harbor provisions cannot be met, the Borrower will consult with bond counsel.

(b) Other investments will be purchased only in market transactions.

(c) Calculations of rebate liability will be performed by outside consultants at the end of construction and at least every fifth bond year.

(d) Rebate payments will be made with Form 8038-T no later than 60 days after (a) each fifth anniversary of the date of issuance and (b) the final retirement of the issue. Compliance with rebate requirements will be reported to the bond trustee and the issuer.

(e) The date for the first rebate payment will be identified and entered in the records for the issue at time of issuance of the bonds.

8. Refunding Issues
When tax-exempt bonds are used to refund other bonds ("Refunded Bonds"), the new bonds ("Refunding Bonds") will be treated as having financed the property originally financed with the Refunded Bonds (or any bonds refunded by the Refunded Bonds), such that financed property must be tracked until the last bonds (whether Refunded Bonds or Refunding Bonds) attributable to that property are retired. The Oversight Officer will continue reviewing the use of the any bond-financed property until the last bonds attributable to that property are retired; except to the extent that tracking is no longer required due to the economic life of the property coming to an end.

Refunding Bonds the proceeds of which are used to retire Refunded Bonds more than 90 days after the issue date of the Refunding Bonds are "Advance Refunding Bonds". Advance Refunding Bonds have additional federal tax requirements in order to be tax-exempt bonds. In order to comply with these additional requirements, the Oversight Officer will:

(a) Confirm directly, or in conjunction with a financial advisor and/or bond counsel, that the issuer does not issue Advance Refunding Bonds that would violate the limit on the number of advance refundings for any of its tax-exempt bonds;

(b) Confirm directly, or in conjunction with a financial advisor and/or bond counsel, that the Refunded Bonds are being redeemed on their earliest call date (in the case of change in use of the facilities) or other allowable date;

(c) Confirm directly, or in conjunction with a financial advisor and/or bond counsel, that all non-bond proceeds amounts going into any Refunded Bond escrow comply with the rules relating to mixed escrows (meaning escrows which are funded with bond proceeds and non-proceeds)(see Treas. Reg. § 1.148-9(c)(2));

(d) To the extent that investments other than United States Treasury Securities – State and Local Government Series ("SLGs") will be placed in an escrow, confirm directly, or in conjunction with a financial advisor and/or bond counsel, that SLGs were not a more efficient investment on the date of the bidding of any other type of investment; or, to the extent that SLGs sales have been suspended on such date, confirm that the safe harbors for determining the fair market value of yield-restricted defeasance escrows have been met (see Treas. Reg. 1.148-5(d)(6)(iii)). To the extent that SLGs are unavailable and the Borrower cannot obtain at least three bids to provide other investments, the Borrower will consult with bond counsel and a financial advisor on how to proceed;

(e) To the extent that an escrow funded with Advance Refunding Bond proceeds requires future purchases of 0% SLGs in order to comply with the applicable yield restrictions, the Borrower will cause the issuer to purchase the 0% SLGs directly or, by written agreement, cause an escrow agent to purchase such SLGs. If the SLGs are to be purchased by an escrow agent, the Borrower will confirm that such SLGs have actually been purchased, or, to the extent SLGs sales are suspended, comply with alternate procedures (which currently are provided in Rev. Proc. 95-47); and
(f) Determine whether it will measure private business use using a combined measurement period (meaning starting with the issue date of the Refunded Bonds and ending with the final retirement of the Refunding Bonds) or separate measurement periods for the Refunded Bonds and the Refunding Bonds; provided, that the Borrower may not use separate periods if the Refunded Bonds were not in compliance with the private business use limits measured from their date of issuance to the date of issuance of the Refunding Bonds.

9. Correction of Violations

The Borrower expects that its compliance with the procedures outlined above will prevent any violations of federal tax rules pertaining to its outstanding tax-exempt bonds (including any Refunded Bonds). However, if the Borrower discovers a potential violation through its ongoing monitoring or otherwise, it will promptly determine in conjunction with its bond counsel whether a violation actually exists. If it is found that a violation actually exists, the Borrower will determine whether (i) any remedial actions are available, or (ii) a voluntary closing agreement with the Internal Revenue Service is appropriate. Common examples of violations are as follows:

(i) Failure to purchase 0% SLGs at the appropriate time for yield-restricted escrows.

(ii) Private (non-exempt) use of bond-financed property resulting in overall non-exempt use in excess of the 5% de minimis limit (including, among other things, professional services contracts with physician groups).

(iii) Failure to pay rebate in a timely manner.

(iv) Improper reimbursement of expenditures (too old or not capital).

(v) Failure to allocate the expenditure of bond proceeds to project costs.

The Borrower acknowledges that it has been advised that VCAP resolution of any violation will be most favorable if the VCAP procedure is commenced within 6 months of the violation.

10. Records

Management and retention of records related to tax-exempt bond issues will be supervised by Oversight Officer.

(a) Records will be retained for the life of the bonds plus any Refunding Bonds plus three years. *This means that the Borrower will maintain records regarding Refunded Bonds until three years after the final Refunding Bond (including through a series of refundings) is retired.* Records may be in the form of documents or electronic copies of documents, appropriately indexed to specific bond issues and compliance functions.

(b) Retainable records pertaining to bond issuance include transcript of documents executed in connection with the issuance of the bonds and any amendments, and
copies of rebate estimates and rebate calculations and records of payments including Forms 8038-T.

(c) Retainable records pertaining to expenditures of bond proceeds include requisitions, account statements and final allocation of proceeds.

(d) Retainable records pertaining to use of property include all agreements reviewed for non-exempt use and any reviewed documents relating to unrelated business activity.

(e) Retainable records pertaining to investments include GIC documents under the Treasury regulations, records of purchase and sale of other investments, and records of investment activity sufficient to permit calculation of arbitrage rebate or demonstration that no rebate is due.

11. Training

The Borrower will use its best efforts to ensure that any officers and employees responsible for carrying out these procedures are properly trained for that responsibility. Such training will include:

(a) Ensuring access to the necessary records.

(b) Ensuring that such persons have reviewed a copy of these Tax Compliance Procedures, the tax certificates and Forms 8038 related to the relevant bond issues and filed Forms 990 - Schedule K.

(c) Permitting attendance on free educational conference calls or webinars sponsored by the Internal Revenue Service, bond-related professional associations or law firms.

(d) Permitting access to free educational websites, such as:


Cost permitting, such training may also include attendance at educational conferences and maintaining tax-exempt bond-related reference materials.

IN WITNESS WHEREOF, the Borrower hereby adopts this Post-Issuance Compliance Monitoring Procedure on this 5 day of May, 2014.

Name: Jeremy N. Foley
Title: Director of Athletics
Tab 0.

Selection of Professional Advisors
Selection of Professionals

Provide a description of the process used to select each professional engaged in the transaction, showing compliance with the competitive selection process required by the Board Debt Management Guidelines. Specific contact information for each selected professional, must be included, and at a minimum, should disclose the professional’s name, firm name, address, email address, phone number and facsimile number.

Below are the professionals involved in the UAA’s outstanding debt transactions, which have been selected based on competitive processes.

**BOND/DISCLOSURE COUNSEL**
McGuireWoods LLP
50 North Laura Street, Suite 3300
Jacksonville, FL 32202-3661

J. Kevin Dougherty, Senior Counsel
Patrice T. De Wees

**FINANCIAL ADVISOR**
RBC Capital Markets
100 2nd Avenue South, Suite 800
St. Petersburg, Florida 33701

Julie Santamaria

**UNDERWRITER/REMARKETING AGENT**
Barclays
390 Park Avenue, 16th Floor
New York, New York 10022

Ken Gambone

**LOC PROVIDER**
JPMorgan Chase
100 North Tampa St., Suite 3300
Tampa, FL 33602

Kyle Thomas
Tab p.

Variable Rate Debt Report
University Athletic Association

Annual Variable Rate Debt Report
For
July 1, 2013 - June 30, 2014
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<td>Current Amortization Schedule</td>
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<td>Ratio of Variable Rate Debt to Fixed</td>
<td>4</td>
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<td>Actual Debt Service Compared to Budget</td>
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<tr>
<td>Variable Rate Debt in Relation to Short Investments</td>
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Summary of UAA Long-term Debt:

In February 1990, the Association issued $10,715,000 in tax-exempt variable rate revenue bonds. Proceeds of $10,559,000 were used to retire the outstanding 1982 and 1985 Stadium Revenue Bonds and pay accrued interest and costs associated with issuance. In December 1990, the Association issued an additional $17,300,000 in tax-exempt revenue bonds. Proceeds of the December 1990 issue were used to finance the construction cost of the North End Zone, and pay accrued interest and costs associated with issuance. Initially, the 1990 Bonds bore interest at the Daily Rate. The Daily Rate means that the interest rate is determined on each business day by the remarketing agent. The 1990 Series bond are scheduled to mature in the year 2020 and are secured by the gross revenues of the Association.

In August 1994, an additional $5,000,000 in tax-exempt variable rate revenue bonds was issued by the Association. Proceeds of the 1994 issue were used to finance the construction of a volleyball practice gymnasium and to renovate the athletic field house.

In October 2001, the Association issued $57,400,000 in tax-exempt variable rate revenue bonds. Proceeds of $4,688,193 were used to retire the outstanding 1994 Capital Improvement Revenue Bonds and pay costs associated with issuance. The remaining proceeds were used to finance the construction cost of the Basketball Practice Facility and the expansion of Ben Hill Griffin, Jr. Stadium. Construction of the Basketball Practice Facility was completed in 2002 and construction on the stadium was completed in 2004. The 2001 Series Athletic Program Revenue Bonds mature in the year 2031 and initially bore interest at the Multiannual Rate consisting of four tranches.

In September 2005, the Association issued $10,000,000 in tax-exempt variable rate revenue bonds. Proceeds were used to finance the construction of improvements and the expansion of McKethan Stadium at Perry Field, the construction of a new football equipment storage facility/restroom/training room and the renovation and improvements to the Lemerand Athletic Center (collectively, the “2005 Project”). Construction on the 2005 Project was completed in October, 2006. Initially, the 2005 Bonds bore interest at the Multiannual Rate. Also in September 2005, the Association redeemed $800,000 of the Series 1990 Capital Improvement Revenue Bonds and converted all the remaining, outstanding 1990 Bonds ($19,600,000) to bear interest at the Multiannual Rate consisting of two tranches. In October 2005, the Association converted a portion ($11,705,000) of the 2001 Bonds to the Daily Rate (as specified by the remarketing agent).

In October 2007, the Association issued $10,000,000 in tax-exempt variable rate revenue bonds. Proceeds were used to finance the acquisition, construction and equipping of capital improvements to Ben Hill Griffin Stadium (collectively, the “2007 Project”). Construction on the 2007 Project was completed in August, 2008. Initially, the 2007 Bonds bore interest at the Multiannual Rate.

In October 2008, the Association redeemed $2,400,000 of the Series 2005 Bonds and converted the remaining amount of the 2005 Bonds ($7,600,000) to the Weekly Rate (as specified by the remarketing agent). Additionally, the Association redeemed $710,000 of the Series 2001 Bonds and converted the remaining portion of that 2001 Bond tranche ($13,625,000) to the Weekly Rate.

In October 2009, the Association redeemed $4,000,000 of the Series 1990 Bonds and converted the remaining amount of the 1990 Bonds ($5,600,000) to the Weekly Rate (as specified by the remarketing agent). Additionally, the Association redeemed $790,000 of the Series 2001 Bonds and converted the remaining portion ($13,485,000) to the Weekly Rate and combined with the other 2001 Bonds into a Weekly Rate tranche ($27,110,000).

In December 2009, the Association converted the Weekly Rate tranche of the Series 1990 Bonds ($5,600,000), a portion of the Weekly Rate tranche of the Series 2001 Bonds ($22,130,000) and all of the Series 2005 Bonds ($7,000,000) to a Fixed Rate. The Converted Bonds bear an interest rate of 4.39%.
In October 2010, the Association converted $10,000,000 of the Series 1990 Bonds to the Weekly Rate (as specified by the remarketing agent). In January, 2011, the Association converted $10,000,000 of the Series 1990 Bonds and $15,950,000 of the Series 2001 Bonds (all the Weekly and Daily Rate tranches) to Extendable Bonds. The Extendable Bonds bear an interest rate of 1.95% until January 1, 2014.

In October 2011, the Association issued $15,000,000 in tax-exempt variable rate revenue bonds. Proceeds were used to finance or reimburse the construction, renovation and equipping of certain capital improvements to certain athletic facilities (collectively, the “2011 Projects”). Construction on the 2011 Projects was expected to begin in December 2011 and will be completed in calendar year 2013. Initially, the 2011 Bonds were issued as Extendable Bonds and bear an interest rate of 1.60% until October 1, 2016. Additionally, the Association converted $14,235,000 of the Series 2001 Bonds to the Daily Rate (as specified by the remarketing agent) and redeemed $500,000 of the Series 2007 Bonds and converted the remaining $8,000,000 to Extendable Bonds. The Extendable Bonds bear an interest rate of 1.60% until October 1, 2016.

In November 2013, the Association replaced $500,000 of the Series 1990 Bonds, $18,925,000 of the Series 2001 Bonds and $4,600,000 of the Series 2005 Bonds with amended bonds bearing a fixed interest rate of 3.83%. In December 2013, the Association converted $10,000,000 of the Series 1990 Bonds and $15,950,000 of the Series 2001 Bonds to Extendable Bonds. The Extendable Bonds bear an interest rate of 1.91% until October 1, 2018.
### Current Amortization Schedule:

#### UNIVERSITY ATHLETIC ASSOCIATION, INC.


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Total principal amount of variable rate debt to principal amount total debt:

University Athletic Association, Inc.
Variable Rate Debt Principal vs. Fixed Rate Principal

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<th>CUSIP</th>
<th>Bonds O/S</th>
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</tr>
<tr>
<td>Total Fixed</td>
<td></td>
<td>24,025,000</td>
<td></td>
<td></td>
<td>1,830,000</td>
<td>22,195,000</td>
</tr>
<tr>
<td>1990</td>
<td>NA</td>
<td>10,000,000</td>
<td>1.91%</td>
<td>12/5/13-10/1/18</td>
<td>1,000,000</td>
<td>9,000,000</td>
</tr>
<tr>
<td>2001</td>
<td>NA</td>
<td>15,950,000</td>
<td>1.91%</td>
<td>12/5/13-10/1/18</td>
<td>0</td>
<td>15,950,000</td>
</tr>
<tr>
<td>2007</td>
<td>914085AE5</td>
<td>14,235,000</td>
<td>Daily Rate</td>
<td></td>
<td>0</td>
<td>14,235,000</td>
</tr>
<tr>
<td>2011</td>
<td>NA</td>
<td>7,000,000</td>
<td>1.60%</td>
<td>10/1/11 - 10/1/16</td>
<td>500,000</td>
<td>6,500,000</td>
</tr>
<tr>
<td>2011</td>
<td>NA</td>
<td>13,500,000</td>
<td>1.60%</td>
<td>10/1/11 - 10/1/16</td>
<td>750,000</td>
<td>12,750,000</td>
</tr>
<tr>
<td>Total Variable</td>
<td></td>
<td>60,685,000</td>
<td></td>
<td></td>
<td>2,250,000</td>
<td>58,435,000</td>
</tr>
<tr>
<td>Total Debt</td>
<td></td>
<td>84,710,000</td>
<td></td>
<td></td>
<td>4,080,000</td>
<td>80,630,000</td>
</tr>
<tr>
<td>Ratio of Variable Rate to Total Debt:</td>
<td></td>
<td>72%</td>
<td></td>
<td></td>
<td>72%</td>
<td></td>
</tr>
</tbody>
</table>

KEY:
SunTrust Private Placement at fixed rate of 3.83% for the life of the bond
SunTrust Private Placement Extendable Bond at 1.91% thru 10/01/18
PNC Bank Private Placement Extendable Bond at 1.60% thru 10/01/16
Remarketed daily; Barclays' serves as remarketing agent and JP Morgan holds LOC
Total amount of debt service accrued for July 1, 2013 to June 30, 2014 compared to annual budgeted debt service:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest on capital asset related debt:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1990 bond interest</td>
<td>(267,296)</td>
<td>(235,024)</td>
<td>32,272</td>
<td>(295,386)</td>
</tr>
<tr>
<td>2001 bond interest</td>
<td>(1,220,945)</td>
<td>(1,383,454)</td>
<td>162,509</td>
<td>(1,297,912)</td>
</tr>
<tr>
<td>2005 bond interest</td>
<td>(200,547)</td>
<td>(208,525)</td>
<td>7,978</td>
<td>(234,865)</td>
</tr>
<tr>
<td>2007 bond interest</td>
<td>(114,000)</td>
<td>(114,000)</td>
<td>-</td>
<td>(121,645)</td>
</tr>
<tr>
<td>2011 bond interest</td>
<td>(219,000)</td>
<td>(219,000)</td>
<td>-</td>
<td>(120,158)</td>
</tr>
<tr>
<td>Bank administrative fees</td>
<td>(12,652)</td>
<td>(26,800)</td>
<td>14,148</td>
<td>(18,425)</td>
</tr>
<tr>
<td>Total interest on capital asset related debt</td>
<td>(2,034,440)</td>
<td>(2,186,803)</td>
<td>152,363</td>
<td>(2,088,391)</td>
</tr>
</tbody>
</table>

Debt service principal:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1990 bonds – principal</td>
<td>1,400,000</td>
<td>1,400,000</td>
<td>-</td>
<td>1,300,000</td>
</tr>
<tr>
<td>2001 bonds – principal</td>
<td>835,000</td>
<td>835,000</td>
<td>-</td>
<td>845,000</td>
</tr>
<tr>
<td>2005 bonds – principal</td>
<td>600,000</td>
<td>600,000</td>
<td>-</td>
<td>600,000</td>
</tr>
<tr>
<td>2007 bonds – principal</td>
<td>500,000</td>
<td>500,000</td>
<td>-</td>
<td>500,000</td>
</tr>
<tr>
<td>2011 bonds – principal</td>
<td>750,000</td>
<td>750,000</td>
<td>-</td>
<td>750,000</td>
</tr>
<tr>
<td>Total debt service principal</td>
<td>4,085,000</td>
<td>4,085,000</td>
<td>-</td>
<td>3,995,000</td>
</tr>
</tbody>
</table>
Total amount of variable rate debt in relation to the Associations short term investments:

**University Athletic Association, Inc.**

*Computation of "Net Revenue to Debt Service Ratio" & "Liquidity Requirements" per First Amendment to Chase Reimbursement Agreement dated September 26, 2012
For FYE June 30, 2014*

<table>
<thead>
<tr>
<th><strong>Computation of Net Revenue:</strong></th>
<th>2013-2014</th>
<th>14-15 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Operating Income</td>
<td>$ (182,465)</td>
<td>$ 8,820,231</td>
</tr>
<tr>
<td>Plus: Depreciation &amp; amortization</td>
<td>8,985,548</td>
<td>0</td>
</tr>
<tr>
<td><strong>Net Revenue</strong></td>
<td>$ 8,803,083</td>
<td>$ 8,820,231</td>
</tr>
</tbody>
</table>

**Computation of Current Year Debt Service:**

<table>
<thead>
<tr>
<th></th>
<th>2013-2014</th>
<th>14-15 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal payments</td>
<td>$ 4,085,000</td>
<td>4,080,000</td>
</tr>
<tr>
<td>Interest - Paid to bondholders</td>
<td>1,852,697</td>
<td>1,809,200</td>
</tr>
<tr>
<td><strong>Debt Service</strong></td>
<td>$ 5,937,697</td>
<td>$ 5,889,200</td>
</tr>
</tbody>
</table>

| **Net Revenue to Debt Service Ratio** | 1.48 | 1.50 |
| **Minimum Ratio**              | 1.10 | 1.10 |

**Computation of Liquidity Requirements:**

<table>
<thead>
<tr>
<th></th>
<th>2013-2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total indebtedness at June 30th</td>
<td>$ 84,710,000</td>
</tr>
<tr>
<td>Liquidity %</td>
<td>25%</td>
</tr>
<tr>
<td><strong>Required Amount of Liquidity</strong></td>
<td>$ 21,177,500</td>
</tr>
</tbody>
</table>

**Unrestricted Cash, Marketable Securities & Investments:**

<table>
<thead>
<tr>
<th></th>
<th>2013-2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>$ 7,980,766</td>
</tr>
<tr>
<td>Short-Term Investments</td>
<td>46,187,899</td>
</tr>
<tr>
<td>Investments</td>
<td>56,900,246</td>
</tr>
<tr>
<td><strong>Liquidity</strong></td>
<td>$ 111,068,911</td>
</tr>
</tbody>
</table>
Tab q.

**Negotiated Sale**
<table>
<thead>
<tr>
<th>Debt Structure</th>
<th>Conditions Favoring A Competitive Sale</th>
<th>Conditions Favoring A Negotiated Sale</th>
<th>Sale Type Favored By Conditions</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pledged Revenues</td>
<td>Strong Revenue Stream</td>
<td>Non-tax based or Project Supported Revenues</td>
<td>N</td>
<td>No revenues will be pledged. The bonds will be a general obligation of UAA. UAA has no taxing power.</td>
</tr>
<tr>
<td>Security Structure</td>
<td>Conventional resolution and cash flow. Rate Covenant and Coverage</td>
<td>Unusual or weak covenants</td>
<td>N</td>
<td>The trust indenture with security features has been created including a required debt service coverage ratio of 1.1:1.</td>
</tr>
<tr>
<td>Debt Instrument</td>
<td>Traditional Serial and Term Bonds, Semi-annual Interest and Annual Maturities</td>
<td>Use of Innovative Structuring, Structure to Attract Particular Investors</td>
<td>N</td>
<td>The Bonds may be issued as variable rate debt instruments. With variable rate debt, rates at which the bonds are sold will change very quickly after sale, and rates will continue to change over the life of the issue. Due to the nature of variable rate debt instruments, the role of the underwriter is very different than in a fixed rate bond issue. With a variable rate issue, the initial underwriter typically serves as remarketing agent and has an ongoing key role in the transaction in setting the interest rates as they periodically change. The key to obtaining the lowest possible rates in a variable rate transaction is by monitoring the performance of the remarketing agent as the interest rate is periodically reset by comparing actual rates to benchmark market indices, such as the SIFMA index.</td>
</tr>
<tr>
<td>Size</td>
<td>A transaction the size of which the market is used to and can comfortably manage.</td>
<td>A small transaction which provides less incentive for borrowers to perform their own credit analysis</td>
<td>N</td>
<td>The size of this issue is $15 million which is a relatively small issue.</td>
</tr>
<tr>
<td>Rating</td>
<td>Aa3/AA- or better</td>
<td>Below Aa3/AA-</td>
<td>N</td>
<td>The UAA has an underlying rating of A+/Stable from S&amp;P.</td>
</tr>
<tr>
<td>Debt Structure</td>
<td>Conditions Favoring A Competitive Sale</td>
<td>Conditions Favoring A Negotiated Sale</td>
<td>Sale Type Favored By Conditions</td>
<td>Explanation</td>
</tr>
<tr>
<td>-------------------------</td>
<td>----------------------------------------</td>
<td>---------------------------------------</td>
<td>---------------------------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Outlook</td>
<td>Stable</td>
<td>Uncertain, Vulnerable or weak</td>
<td>N</td>
<td>UAA believes that the outlook for its revenues are stable. However, the revenues are not tax-based and therefore, by their very nature, the market will view UAA’s future revenues as uncertain.</td>
</tr>
<tr>
<td>Type of organization</td>
<td>Well Known Broad-based General Purpose Borrower</td>
<td>Special Purpose, Independent Authority</td>
<td>N</td>
<td>UAA is a direct support organization of the University of Florida. As such, it is not well known within the bond market. UAA has found that it must market itself to create a better understanding in the bond market of its product, place, and status. A competitive bid does not provide the full marketing opportunity that individual contact and negotiation affords.</td>
</tr>
<tr>
<td>Frequency of issuance</td>
<td>Regular borrower in the public market</td>
<td>New or infrequent issuer</td>
<td>N</td>
<td>With $80.6 million in bonds outstanding and only four bond issuances since 1990, UAA is an infrequent issuer.</td>
</tr>
<tr>
<td>Market Awareness</td>
<td>Active Secondary Market with broad Investor Base</td>
<td>Little or no institutional Awareness of Issuer</td>
<td>N</td>
<td>UAA has had very limited exposure to the market with only four bond issuances since 1990.</td>
</tr>
<tr>
<td>Interest Rates</td>
<td>Stable, predictable</td>
<td>Volatile at times</td>
<td>N</td>
<td>The market has been volatile at times over the past year due to concerns over the economy and global political and health concerns.</td>
</tr>
<tr>
<td>Supply and Demand</td>
<td>Strong investor demand, good liquidity</td>
<td>Oversold, heavy supply</td>
<td>N</td>
<td>The lack of supply in the market has reduced rates over the past few months, but it has not increased demand a much as might be expected given the large outflow from municipal bond funds over the past two years.</td>
</tr>
<tr>
<td>Changes in Law</td>
<td>None</td>
<td>Recent or Anticipated</td>
<td>N</td>
<td>Florida may continue to experience changes in legislative priorities under the current administration. Such changes have affected and may continue to affect the funding and operation of public higher education institutions in the State.</td>
</tr>
</tbody>
</table>
Conclusion and Recommendation Regarding Method of Sale

Many factors must be considered when determining whether to sell bonds through competitive bidding or negotiation. The results of our analysis show that all factors indicate that a negotiated sale is in UAA’s best interest.

The bonds may be sold on a variable rate basis. Variable rate bonds do not lend themselves to a competitive sale since the interest rate fluctuates. The lowest possible borrowing cost is achieved by monitoring the performance of the remarketing agent if the bonds are publicly offered, as interest rates are reset by comparing the rates to benchmark interest rate indices, such as the SIFMA index. Based on the analysis of the characteristics of the proposed bonds, the conclusion is that a negotiated sale is in the best interest of UAA.
Tab r.

Quantitative Metrics
UAA Project Need

An analysis must be prepared and submitted which provides quantitative metrics justifying the need for the construction or acquisition of the project and explains why the project is essential to the university’s core mission. There must also be a detailed assessment of private sector alternatives and a determination of whether the private sector offers a comparable alternative at a lower cost. This information may be included as part of a project feasibility study or may be a stand-alone report.

The capital approach for the University Athletic Association continues to reflect our commitment to only obligating the Association to capital expenses that contribute to the well-being of our athletes and students, are financially sustainable, and support the UAA’s mission, which includes providing financial support to the University. The following graph illustrates our conservative facilities funding of $255 million since 1982. The UAA’s current outstanding debt is only approximately $80 million.

![Facilities & Improvements 1982-2014*](image)

(*Current year through May 2014)

The Association has been fortunate to maintain a loyal and committed fan base. The financial support provided by our booster’s commitment has allowed us to continue to provide the student athlete and coaches with a level of funding that allows them to compete in the classroom and on the field at the highest level. A significant amount of our capital facilities are financed with private investments, which is summarized at the end of this section.

Indoor Practice Field

The UAA will be funding an indoor practice field for the football program on its current practice site located immediately north of McKethan (baseball) Stadium on the University of Florida campus.

The current facility has three outdoor practice fields. Two natural turf fields at 100 yards and 70 yards, and one synthetic turf field at 50 yards. In support of the practice fields, a 5,500 square foot support building was constructed in 2006 to provide space for a satellite athletic training space, hydration station, toilet, and field maintenance equipment storage. While the practice area and support space have served the program adequately in past years, UAA would like to provide an indoor facility to:
• Allow practice to continue without interruption of inclement weather. At times, the team needs to seek cover during these events. Both the Institution and the Southeastern Conference have a strict lightning policy which has often disrupted the continuity of the team’s training sessions. During the 2014 football season the team altered 30 practices out of 75 to due to weather. It is anticipated that with the addition of this facility no practice will need to be altered.

• Compete with peers to recruit quality student athletes. The facility’s lack of a space for indoor training has set the University’s program behind the majority of their peers within the SEC conference and the NCAA. This, in turn, puts the football program at a disadvantage in recruiting top student athletes.

As discussed in the project programs provided under tab 2, the University’s review consultants have recommended that the project is necessary to support the University’s Football Program and that the space is needed for payer safety during stormy days when practice still needs to occur.

The needs assessment recommends the Design/Build construction delivery method for the project, based on the following justification.

### Office of Student Life

The current facility was completed in 1995 and includes approximately 35,000 square feet of space. The Office of Student Life (OSL) currently occupies the entire third floor, the southwest portion of first floor and shares the rest of the first floor and second floor with the University Academic Advisement Center. The University’s needs assessment reviewed the existing building and indicated the following strengths and weaknesses:

**Strengths:**
- Office sizes appear to be adequate.
- Central campus location is convenient for most students.
- The programs and activities which occur within the facility are extremely successful.

**Weaknesses**
- There is not adequate space to meet the needs of OSL. More tutoring rooms, study areas and resource areas are needed. For the academic year 2013-2014 we moved a total of 1090 of over 19,500 tutoring sessions out of the building due to lack of space. It is anticipated with the renovation and expansion there should no longer be the need to move the sessions.
- The interior finishes and furniture are very dated.
- The types of interior spaces are not what today’s student looks for when seeking a location for study.
- The existing auditorium is undersized and not designed to accommodate the athletes who use it.
- The first impression is not positive because of the crowded conditions in the waiting area.
- The OSL areas are not adequately branded to celebrate Gator Athletics.
- The facility image is not an asset to the recruiting process.
- There is not adequate casual/informal study space for student athletes.

As detailed in the project programs provided under tab 2, the University’s review consultants have found that the project is consistent with the University’s Master Plan, and necessary to provide complete advisement to student athletes. The needs assessment recommends the Construction Management delivery method for the project.

**Private Sector Funding**

The Association has made a significant commitment to buildings and improvements. Since 2005, over $128 million dollars has been spent on capital assets. The funding for these projects has come from operating funds, private capital contributions and tax exempt revenue bonds. During this period, over 1/3rd of total funds spent on capital have come from private contributions. The UAA’s number one priority for the future will be to increase our athletic scholarship endowments and major gift giving, as we believe this is a key for our future stability.
Statement regarding private sector alternatives for Office of Student Life:
The programs and services offered by the OSL and their direct relationship to student athlete recruitment and retention are also significantly impacted by their physical proximity to athletic facilities, housing, dining and academic programs. As well, the Association is exploring partnerships to enhance student athlete welfare with both Gatorade and national concussion specialists. Gatorade and the Association have begun negotiations to share space for research and development of athletic hydration and nutrition products. As well, space is being designed within the facility to provide work space for concussion specialists to perform research and development in this growing field.

Statement regarding private sector alternatives for Indoor Practice Facility:
The function provided by the new Indoor Practice Facility and its direct relationship to student athlete recruitment and retention are significantly impacted by the student athlete’s physical proximity to their facilities. As such, there are no private sector alternatives that can provide the same level of access and service as the new Indoor Practice Facility.
1.0 Verification of Quorum

After a roll call, a quorum was confirmed, with all members present except Trustee Heavener.

2.0 Call to Order and Welcome

Chair Steve Scott called the meeting to order at 2:18 p.m. EDT and welcomed everyone in attendance.

Members present were:
Steven M. Scott (Board Chair), David L. Brandon, C. David Brown, II, Susan M. Cameron, Christopher T. Corr, Charles B. Edwards, Pradeep Kumar, Carolyn K. Roberts, Jason J. Rosenberg, Juliet M. Roulhac, David M. Thomas, Cory M. Yeffet

Others present:
Vice President, General Counsel and University Secretary Jamie Lewis Keith, Vice President for University Relations Jane Adams, Vice President for Human Resource Services Paula Fussell; Christopher Kise of Foley & Lardner who acted as Outside Counsel to the Board on the action item before the Governance Committee and Board; Assistant Vice President for Public Relations Janine Sikes, Executive Assistant Becky Holt, other members of the University community and members of the media.

3.0 Committee Report

Chair Scott noted that all Trustees were present and able to participate in the Governance Committee meeting that just concluded, therefore there was no need to read a Committee Report.
4.0   Action Items (Consent Agenda)

Chair Scott asked for a motion to approve the Consent Agenda which included the Board’s December 5, 2014 meeting minutes and GV1-Resolution R14-143, with their attachments. The motion was made by Trustee Edwards and Seconded by Trustee Cameron. The Chair asked for further discussion, after which he asked for all in favor of the motion and any opposed and the motion was approved unanimously.

Trustee Edwards stated he was proud and honored to be able to support the Resolution. Dr. Machen will go down as one of the most accomplished University Presidents, not only in Florida but elsewhere. Chair Scott expressed agreement.

5.0   Discussion/Informational Items

There were no discussion items for the Board.

6.0   New Business

Chair Scott wished all Trustees and the entire UF community a wonderful holiday season and a healthy and successful 2015. He noted that the coming year will be a milestone year for University of Florida. Chair Scott thanked the Board, President Machen, and the Cabinet for their excellent work in 2014. Chair Scott congratulated Dr. Machen for being granted President Emeritus status and thanked him for 11 years of highly distinguished service to UF.

7.0   Adjourn

After asking for any further discussion and hearing none, Chair Scott asked for a motion to adjourn, which was made by Trustee Edwards and Seconded by Trustee Roulhac. Chair Scott asked for all in favor and any opposed, and the motion passed unanimously. The University of Florida Board of Trustees meeting adjourned at 2:22 p.m. EDT.