This Preliminary Official Statement has not been approved by the University, and the information herein is subject to completion and amendment without notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2014-A Bonds referenced herein in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. A definitive Official Statement will be made available prior to the delivery of these securities.

PRELIMINARY OFFICIAL STATEMENT DATED JUNE 26, 2014

NEW ISSUE - BOOK ENTRY ONLY
BASE CUSIP NUMBER: 050589

EXHIBIT III
RATINGS:
Moody's: Aa2
Standard & Poor's: AA-

In the opinion of Bond Counsel, under existing law and assuming the accuracy of certain representations and certifications and compliance by the University with certain tax covenants, interest on the Series 2014-A Bonds will be excluded from gross income for federal income tax purposes. Bond counsel is of the further opinion that, under existing law, interest on the Series 2014-A Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest is includable in adjusted current earnings in determining the federal alternative minimum tax imposed on certain corporations. See "TAX MATTERS" herein for further information and certain other federal tax consequences arising with respect to the Series 2014-A Bonds. Bond counsel is also of the opinion that under existing law, interest on the Series 2014-A Bonds is exempt from Alabama income taxation.

AUBURN UNIVERSITY

AUBURN UNIVERSITY

$38,115,000* General Fee Revenue Bonds, Series 2014-A

Dated: July 1, 2014 **Due: June 1, as shown on inside cover**

The Series 2014-A Bonds are issuable as fully registered bonds and, when issued, will be registered in the name of Cede & Co., a nominee of The Depository Trust Company ("DTC"), New York, New York, to which principal and interest payments on the Series 2014-A Bonds will be made so long as Cede & Co. is the registered owner of the Series 2014-A Bonds. Individual purchases of the Series 2014-A Bonds will be made in Book-Entry Only form, and individual purchasers ("Beneficial Owners") of the Series 2014-A Bonds will not receive physical delivery of warrant certificates.

Interest will be payable on the Series 2014-A Bonds each June 1 and December 1, commencing December 1, 2014. So long as DTC or its nominee is the registered owner of the Series 2014-A Bonds, disbursements of such payments to DTC is the responsibility of the Trustee, disbursements of such payments to DTC Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owner is the responsibility of DTC Participants or Indirect Participants as described more fully herein.

The Series 2014-A Bonds are being issued in order to (i) advance refund certain maturities of the University's General Fee Revenue Bonds, Series 2006-A; (ii) advance refund certain maturities of the University's General Fee Revenue Bonds, Series 2007-A; and (iii) pay costs of issuing the Series 2014-A Bonds. See "THE PLAN OF FINANCING" herein.

The Series 2014-A Bonds will be special obligations of the University secured by a pledge of and payable solely from general fees levied against students enrolled at the University, as provided for under the General Fee Revenue Trust Indenture described herein. Neither the Series 2014-A Bonds nor the pledge of such revenues and other agreements provided in the General Fee Revenue Trust Indenture shall be or constitute an obligation of any nature whatsoever of the State of Alabama, or be payable out of any moneys appropriated by the State to the University.

The Series 2014-A Bonds are issuable as fully registered bonds in denominations of $5,000 or any integral multiple thereof.

FOR MATURITIES, AMOUNTS, RATES, PRICES, AND CUSIPS, SEE INSIDE COVER.

MERCHANT CAPITAL
L.L.C.

The Series 2014-A Bonds are offered when, as and if issued by the University and received by the Underwriter, subject to prior sale, to withdrawal or modifications of the offer without notice, and to the approval of legality of the Series 2014-A Bonds of Balch & Bingham LLP, Bond Counsel. Certain legal matters will be passed upon for the Underwriter by disclosure counsel, Maynard, Cooper & Gale, P.C., Birmingham, Alabama. It is expected that the Series 2014-A Bonds in definitive form will be available for delivery in Birmingham, Alabama, on July ____, 2014.

The date of this Official Statement is July ____, 2014.

* Preliminary; subject to change.

MATURITIES, AMOUNTS, RATES, PRICES & CUSIPS*

Auburn University
General Fee Revenue Bonds, Series 2014-A

Maturity (June 1)	Principal Amount	Interest Rate	Yield	CUSIP
2015	235,000	____%	____%	050589 ___
2016	100,000	____%	____%	050589 ___
2017	100,000	____%	____%	050589 ___
2018	1,475,000	____%	____%	050589 ___
2019	1,525,000	____%	____%	050589 ___
2020	1,580,000	____%	____%	050589 ___
2021	1,665,000	____%	____%	050589 ___
2022	1,750,000	____%	____%	050589 ___
2023	1,830,000	____%	____%	050589 ___
2024	1,925,000	____%	____%	050589 ___
2025	2,025,000	____%	____%	050589 ___
2026	2,120,000	____%	____%	050589 ___
2027	55,000	____%	____%	050589 ___
2028	2,280,000	____%	____%	050589 ___
2029	2,395,000	____%	____%	050589 ___
2030	2,515,000	____%	____%	050589 ___
2031	2,640,000	____%	____%	050589 ___
2032	2,770,000	____%	____%	050589 ___
2033	2,910,000	____%	____%	050589 ___

$3,055,000 ____% Term Bonds maturing June 1, 2034 (Yield: _____%), CUSIP NO. 050589 ___

$3,165,000 ____% Term Bonds maturing June 1, 2035 (Yield: _____%), CUSIP NO. 050589 ___

* Preliminary; subject to change.

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OFFICIAL STATEMENT
relating to

AUBURN UNIVERSITY

$38,115,000* General Fee Revenue Bonds,
Series 2014-A

INTRODUCTORY STATEMENT

This Official Statement, including the cover page and Appendices, is furnished by Auburn University (herein called the "University" or "Auburn") to provide certain information in connection with the sale by the University of its General Fee Revenue Bonds, Series 2014-A in the aggregate principal amount of $38,115,000 (the "Series 2014-A Bonds"), dated July 1, 2014, issued as additional parity bonds under a General Fee Revenue Indenture dated as of June 1, 1985, between the University and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Trustee"), as previously supplemented and as further supplemented by a Seventeenth Supplemental General Fee Indenture to be dated as of July 1, 2014 (as so supplemented, the "Indenture" or "General Fee Revenue Indenture").

The University

The University is a public corporation and an instrumentality of the State of Alabama existing under provisions of Amendment No. 161 of the Constitution of Alabama of 1901 and Chapter 48 of Title 16 of the CODE OF ALABAMA 1975.

The University is governed by a Board of Trustees (the "Board") with fourteen voting members. The members of the Board are appointed by a committee consisting of the Governor of Alabama and representatives of the Board and the Auburn Alumni Association, with the advice and consent of the Alabama Senate. No member of the Board receives compensation for his or her services.

The University has two campuses. The University's larger campus is located in Auburn, Alabama (the "Auburn Main Campus") approximately 55 miles east of Montgomery, Alabama. The University's second campus is located in Montgomery, Alabama (the "Auburn Montgomery Campus" or "AUM").

Fall 2013 enrollment at the University was 29,960.

For a description of the University and the Board, see "APPENDIX A – General Description of the University."

Purpose of the Issue

The Series 2014-A Bonds are being issued for the purposes of (i) advance refunding certain maturities of the University's General Fee Revenue Bonds, Series 2006-A; (ii) advance refunding certain maturities of the University's General Fee Revenue Bonds, Series 2007-A; and (iii) paying costs of issuing the Series 2014-A Bonds. See "THE PLAN OF FINANCING".

Security

The Series 2014-A Bonds are limited obligations of the University, payable solely from, and secured by a pledge of, the Pledged Revenues, as more fully described below under "SECURITY AND SOURCE OF PAYMENT - Sources of Payment and Pledged Revenues." The Pledged Revenues include a pledge of the General

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* Preliminary, subject to change.

Fees levied against students enrolled at the University, a pledge of certain Pledged Student Fees, and, on a subordinate basis, pledges of the Housing and Dining Revenues and Athletic Program Revenues, each as described herein. See "SECURITY AND SOURCE OF PAYMENT - Sources of Payment and Pledged Revenues."

The Series 2014-A Bonds will not constitute a charge against the general credit of the University, and will not be payable from moneys appropriated to the University by the State of Alabama. The University has no taxing power. The State of Alabama will not be liable in any manner for the payment of the principal and interest on the Series 2014-A Bonds. Holders of the Series 2014-A Bonds shall never have the right to demand payment of the Series 2014-A Bonds from the University from any source other than the special funds established under the Indenture and the Pledged Revenues and shall be entitled to payment from such sources only on a parity basis with all other bonds outstanding under the Indenture.

Existing and Additional Parity Bonds

The Indenture permits the University to issue additional parity bonds ("Additional Bonds") that will be secured on a parity with the Series 2014-A Bonds and any other bonds issued thereunder. For a description of bonds already outstanding under the Indenture that are secured on a parity with the Series 2014-A Bonds, see "DEBT STRUCTURE OF THE UNIVERSITY". For a description of the terms of the Indenture for the issuance of additional parity bonds in the future, see "SECURITY AND SOURCE OF PAYMENT - Sources of Payment and Pledged Revenues," "- Parity Bonds" and "- Additional Debt Covenant." See also APPENDIX C, "Summary of the General Fee Revenue Indenture – Additional Bonds."

Changes to the Preliminary Official Statement

This Preliminary Official Statement and the information herein is subject to change, completion, and amendment. A definitive Official Statement will be made available prior to the delivery of the Series 2014-A Bonds.

For purposes of this Preliminary Official Statement, selling compensation, delivery dates, and certain other information dependent on pricing of the Series 2014-A Bonds have been omitted. Further, for purposes of this Preliminary Official Statement, offering prices, interest rates, aggregate principal amount, principal amount per maturity, specific maturities of the Series 2006-A Bonds and Series 2007-A Bonds to be refunded, and certain other information dependent on pricing of the Series 2014-A Bonds have been estimated. Actual information dependent on pricing will be established after pricing of the Series 2014-A Bonds and will be reflected in the final Official Statement. Such actual information is expected to vary from the estimates.

Investors should check under the heading "INTRODUCTION–Changes to the Preliminary Official Statement" in the final Official Statement for guidance regarding information dependent on pricing of the Series 2014-A Bonds and for guidance regarding other information that is changed between the date of this Preliminary Official Statement and the date of the final Official Statement.

DEFINITIONS

The definitions of certain capitalized terms used frequently in this Official Statement are set forth in this section. The appendix summarizing the terms of the Indenture (APPENDIX C) contains additional terms used in such summary.

"**Additional Bonds**" means an additional series of bonds issued pursuant to the Indenture that is secured on a parity with other bonds issued pursuant to the Indenture.

"**Athletic Program Revenues**" means the gross revenues derived by the University from its intercollegiate athletic program, including, without limitation, all proceeds from the sales of tickets and from other fees and charges for admission to or use of facilities in connection with athletic events at Jordan-Hare Stadium and all other athletic facilities of the University, all concession revenues from such facilities, all payments for television and other broadcast rights referable to intercollegiate athletic events in which the University is a participant or to athletic conferences or associations of which the University is a member, all payments received by the University by way of settlement or otherwise from other institutions and from conferences or associations of which the University is a member and directly or indirectly related to the intercollegiate athletic program of the University, and that portion (presently $96.00 per student per academic semester) of the general tuition fees levied against all students of the University at the Auburn Main Campus, designated for athletic purposes and allocated to the Athletic Department of the University.

"Athletic Revenue Bonds" means, collectively, all bonds issued from time to time by the University pursuant to the Athletic Revenue Indenture and secured on a parity basis by a first-priority pledge of the Athletic Revenues, as described under "DEBT STRUCTURE OF THE UNIVERSITY - Outstanding Bonds under Athletic Revenue Indenture" and "SECURITY AND SOURCE OF PAYMENT – The Athletic Program Revenues" herein.

"Athletic Revenue Indenture" means the Athletic Revenue Trust Indenture dated as of September 15, 1985, between the University and the Trustee, as supplemented and amended.

"Auburn Main Campus" means the campus of the University located in Auburn, Alabama.

"Auburn Montgomery Campus" means the campus of the University located in Montgomery, Alabama.

"Board" means the Board of Trustees of the University.

"General Fee Revenue Indenture" or **"Indenture"** means the General Fee Revenue Indenture dated as of June 1, 1985, between the University and the Trustee, as previously supplemented and amended and as further supplemented by a Seventeenth Supplemental General Fee Indenture to be dated as of July 1, 2014 (as so supplemented, the "Indenture" or "General Fee Revenue Indenture").

"General Fees" means the gross revenues from the general tuition fees levied against all students of the University, excluding (i) that portion (presently $96.00 per student at the Auburn Main Campus per academic semester) of such fees designated for athletic purposes and allocated to the Athletic Department of the University, and (ii) any other fee or charge designated for a special purpose by resolution duly adopted by the Board, unless otherwise provided by such a resolution.

"Housing and Dining Revenues" means the gross revenues derived by the University from the operation of the housing and dining facilities owned by the University.

"Pledged Revenues" means General Fees, the Pledged Student Fees, and, on a subordinate basis, the Housing and Dining Revenues and the Athletic Program Revenues, each as described herein.

"Pledged Student Fees" means the gross revenues derived by the University from the following student fees:

(i) that certain fee levied against students at the Auburn Main Campus authorized by a resolution of the Board adopted on June 18, 2010, to be collected in an amount up to $200 per academic semester and to be used to pay a portion of the costs of a new student wellness and a sustainability center to be located on the Auburn Main Campus;

(ii) that certain fee levied against students at the Auburn Main Campus authorized by a resolution of the Board adopted on June 7, 1999 (currently $75 per semester), to be used to pay a portion of the costs of the student center located on the Auburn Main Campus; and

(iii) that portion (presently $160 per semester) of the student activity fee levied against students at the Auburn Montgomery Campus authorized by a resolution of the Board adopted on November 6, 2009, to be used to pay a portion of the costs of the new student wellness center to be located on the Auburn Montgomery Campus.

"Refunded Bonds" means, collectively, the Refunded Series 2006-A Bonds and the Refunded Series 2007-A Bonds.

"Refunded Series 2006-A Bonds" means the University's Series General Fee Revenue Bonds, Series 2006-A to be advance refunded with proceeds of the Series 2014-A Bonds. The specific maturities of the Series 2006-A Bonds to be refunded, if any, will be identified during pricing of the Series 2014-A Bonds and will be reflected in the definitive Official Statement made available prior to the delivery of the Series 2014-A Bonds. See "Changes to the Preliminary Official Statement" herein.

"Refunded Series 2007-A Bonds" means the University's Series General Fee Revenue Bonds, Series 2007-A to be advance refunded with proceeds of the Series 2014-A Bonds. The specific maturities of the Series 2007-A Bonds to be refunded, if any, will be identified during pricing of the Series 2014-A Bonds and will be reflected in the definitive Official Statement made available prior to the delivery of the Series 2014-A Bonds. See "Changes to the Preliminary Official Statement" herein.

"Series 2014-A Bonds" means the University's General Fee Revenue Bonds, Series 2014-A, being offered pursuant to this Official Statement.

"Trustee" means The Bank of New York Mellon Trust Company, N.A. (successor trustee to Compass Bank and JPMorgan Chase Bank) in its capacity as trustee under the General Fee Revenue Indenture and the Athletic Revenue Indenture.

"University" means Auburn University, a public corporation and instrumentality of the State of Alabama.

THE SERIES 2014-A BONDS

Series 2014-A Bonds

General Description. The Series 2014-A Bonds will be issued in the aggregate principal amount of $38,115,000, will be dated July 1, 2014, and will bear interest (payable on each June 1 and December 1 thereafter until maturity, commencing December 1, 2014) at the rates and will mature on June 1 in the years and in the amounts set forth on the inside cover page of this Official Statement. The Series 2014-A Bonds will be issuable only as fully registered bonds without coupons in the denomination of $5,000 or any integral multiple thereof.

Redemption of Series 2014-A Bonds Prior to Maturity. The Series 2014-A Bonds will be subject to optional or mandatory redemption, as follows:

Optional Redemption. The Series 2014-A Bonds maturing on June 1, 20___ and thereafter will be subject to redemption on June 1, 20___ or any date thereafter at the option of the University at a redemption price equal to 100% of the par amount of the Series 2014-A Bonds being redeemed plus accrued interest through the date of redemption.

Mandatory Redemption of ____ Term Bonds.* The Series 2014-A Bonds maturing on June 1, ____ (the "____ Term Bonds") are subject to mandatory redemption, by lot, at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest thereon to the redemption date, on June 1, in years and principal amounts (after credit as provided below) as follows:

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* Preliminary, subject to change.

Year	Amount

$________ of the ____ Term Bonds
is scheduled to be retired at maturity.

Not less than 45 or more than 60 days prior to each mandatory redemption date with respect to the ____ Term Bonds, the Trustee shall proceed to select for redemption, by lot, ____ Term Bonds or portions thereof in an aggregate principal amount equal to the amount required to be redeemed and shall call such ____ Term Bonds or portions thereof for redemption on such mandatory redemption date. The University may, not less than 60 days prior to any such mandatory redemption date, direct that any or all of the following amounts be credited against the ____ Term Bonds scheduled for redemption on such date: (i) the principal amount of ____ Term Bonds delivered by the University to the Trustee for cancellation and not previously claimed as a credit; and (ii) the principal amount of ____ Term Bonds previously redeemed pursuant to the optional redemption provisions of the Indenture and not previously claimed as a credit.

General Provisions Respecting Redemption

Any redemption will be made upon at least 30 days' notice by registered or certified mail to the holders of Series 2014-A Bonds to be redeemed.

If a trust is established for payment of less than all Series 2014-A Bonds of a particular maturity and coupon, the Series 2014-A Bonds of such maturity and coupon to be paid from the trust shall be selected by the Trustee by lot within 7 days after such trust is established and shall be identified by a separate CUSIP number or other designation satisfactory to the Trustee. The Trustee shall notify holders whose Series 2014-A Bonds (or portions thereof) have been selected for payment from such trust and shall direct such holders to surrender their Series 2014-A Bonds to the Trustee in exchange for Series 2014-A Bonds with the appropriate designation.

Upon any partial redemption of a Series 2014-A Bond, such Bond shall be surrendered to the Trustee in exchange for one or more new Series 2014-A Bonds in authorized form for the unredeemed portion of principal.

Any Series 2014-A Bond (or portion thereof) which is to be redeemed must be surrendered to the Trustee for payment of the redemption price. Series 2014-A Bonds (or portions thereof) duly called for redemption will cease to bear interest after the redemption date, unless the University defaults in payment of the redemption price.

Transfer and Exchange

No charge will be made for any exchange or transfer of the Series 2014-A Bonds, but the registered owner thereof shall be responsible for paying all taxes and other governmental charges relating to such transfer or exchange. In the event a Series 2014-A Bond is lost, stolen, destroyed or mutilated, the University and the Trustee may require satisfactory indemnification for the replacement thereof and may charge the holder or owner of such bond with their fees and expenses in connection with the replacement thereof.

Method and Place of Payment

The Series 2014-A Bonds will be issued in book-entry only form, as described below under "Book-Entry Only System", and the method and place of payment will be as provided in the book-entry only system. The Indenture contains alternative provisions for the method and place of payment if the book-entry only system is discontinued.

Registration and Exchange

The Series 2014-A Bonds will be issued in book-entry only form, as described below under "Book-Entry Only System", and the method for registration and exchange of the Series 2014-A Bonds will be as provided in the book-entry only system. The Indenture contains alternative provisions for the registration and exchange of Series 2014-A Bonds if the book-entry only system is discontinued.

Book-Entry Only System

The information contained in this section concerning The Depository Trust Company and its book-entry only system has been obtained from materials furnished by The Depository Trust Company to the University. The University and the Underwriter do not make any representation or warranty as to the accuracy or completeness of such information.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2014-A Bonds. The Series 2014-A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2014-A Bond certificate will be issued for each maturity of the Series 2014-A Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any issue or any maturity within an issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue or maturity.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2014-A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2014-A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2014-A Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2014-A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2014-A Bonds, except in the event that use of the book-entry system for the Series 2014-A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2014-A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2014-A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2014-A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2014-A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2014-A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2014-A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the documents governing the terms of the Series 2014-A Bonds. For example, Beneficial Owners of Series 2014-A Bonds may wish to ascertain that the nominee holding the Series 2014-A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided to them directly.

Redemption notices shall be sent to DTC. If less than all of the Series 2014-A Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2014-A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the University as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2014-A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium (if any) and interest payments on the Series 2014-A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the University or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the University, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium (if any) and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the University or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Series 2014-A Bonds purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Series 2014-A Bonds by causing the Direct Participant to transfer the Participant's interest in the Series 2014-A Bonds, on DTC's records, to the Trustee. The requirement for physical delivery of Series 2014-A Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2014-A Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Series 2014-A Bonds to the Trustee's DTC account.

DTC may discontinue providing its services as depository with respect to the Series 2014-A Bonds at any time by giving reasonable notice to the University or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, certificates for the Series 2014-A Bonds are required to be printed and delivered.

The University may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates for the Series 2014-A Bonds will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the University believes to be reliable, but the University takes no responsibility for the accuracy thereof.

The University, the Trustee and the Underwriter cannot and do not give any assurances that DTC, the Direct Participants or the Indirect Participants will distribute to the Beneficial Owners of the Series 2014-A Bonds (1) payments of principal, redemption price or interest on the Series 2014-A Bonds; (2) certificates

representing an ownership interest or other confirmation of beneficial ownership interests in Series 2014-A Bonds; or (3) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Series 2014-A Bonds, or that they will do so on a timely basis or that DTC, Direct Participants or Indirect Participants will serve and act in the manner described in this Official Statement. The current "rules" applicable to DTC are on file with the United States Securities and Exchange Commission, and the current "procedures" of DTC to be followed in dealing with DTC participants are on file with DTC.

Neither the University, the Trustee nor the Underwriter will have any responsibility or obligation to any Direct Participant, Indirect Participant or any Beneficial Owner or any other person with respect to: (1) the Series 2014-A Bonds; (2) the accuracy of any records maintained by DTC or any Direct Participant or Indirect Participant; (3) the payment by DTC or any Direct Participant or Indirect Participant of any amount due to any Beneficial Owner in respect of the principal or redemption price of or interest on the Series 2014-A Bonds; (4) the delivery by DTC or any Direct Participant or Indirect Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Trust Indenture to be given to holders of the Series 2014-A Bonds; (5) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Series 2014-A Bonds; or (6) any consent given or other action taken by DTC as a holder of the Series 2014-A Bonds.

Authority for Issuance

The Series 2014-A Bonds are being issued by the University under the authority of the Constitution and laws of the State of Alabama, including particularly Chapter 3 of Title 16 of the Code of Alabama 1975, Section 16-3-28 (the "Enabling Law").

The Enabling Law authorizes any public corporation that conducts one or more state educational institutions under its supervision, acting through its board of trustees or other governing body, to issue interest bearing securities, whether in the form of bonds, notes or other securities, in evidence of money borrowed for the purchase, construction, enlargement or alteration of any buildings or other improvements, all for use by such institution, and for the purpose of refunding its outstanding interest bearing securities. The issuing institution may agree to pledge to the payment of the principal of and interest on such securities the fees from students levied and to be levied by or for such institution and any other moneys and revenues not appropriated by the state to such institution.

SECURITY AND SOURCE OF PAYMENT

Sources of Payment and Pledged Revenues

The Series 2014-A Bonds will be limited obligations of the University and will be payable solely from, and will be secured by a pledge of, the Pledged Revenues. The "Pledged Revenues" under the Indenture will include a pledge of the General Fees, a pledge of the Pledged Student Fees, and, on a subordinate basis, pledges of the Housing and Dining Revenues and the Athletic Program Revenues, each subject to the exclusions and limitations described herein. Set forth below are the historical Pledged Revenues for the fiscal years indicated:

Fiscal Year	Pledged Revenues (unaudited)
2013	$487,125,042
2012	457,945,081
2011	424,712,747
2010	370,350,000
2009	330,164,161

The General Fees

The term "General Fees", as used herein, means the gross revenues from the general tuition fees levied against all students of the University, excluding (i) that portion (presently $96.00 per student at the Auburn Main Campus per academic semester) of such fees designated for athletic purposes and allocated to the Athletic Department of the University, and (ii) any other fee or charge designated for a special purpose by resolution duly adopted by the Board, unless otherwise provided by such a resolution.

Historical General Fees. Set forth below are the historical General Fees for the fiscal years indicated:

	General Fees Auburn Main Campus (unaudited)	General Fees Auburn Montgomery Campus (unaudited)	General Fees (Total) (unaudited)
2013	$345,925,053	$41,433,574	$387,358,627
2012	325,198,891	38,368,011	363,566,902
2011	296,356,159	36,718,988	333,075,147
2010	266,821,792	31,844,543	298,666,335
2009	243,242,411	27,198,672	270,441,083

First Priority Pledge of General Fees. The University's pledge of its General Fees is a first-priority pledge that is not subject to any prior pledge by the University and is not pledged to pay debt service on any indebtedness of the University other than indebtedness issued under the General Fee Revenue Indenture. See "DEBT STRUCTURE OF THE UNIVERSITY - Outstanding Bonds under General Fee Revenue Indenture," "DEBT SERVICE REQUIREMENTS," and "SECURITY AND SOURCE OF PAYMENT – Parity Bonds" herein.

The General Fees constitute a portion of the "Pledged Revenues" under the Indenture.

The Pledged Student Fees

The term "Pledged Student Fees", as used herein, includes (i) a fee levied against students at the Auburn Main Campus authorized by a resolution of the Board adopted on June 18, 2010, to be collected in an amount up to $200 per academic semester and to be used to pay a portion of the costs of a new student wellness and a sustainability center to be located on the Auburn Main Campus; (ii) a fee levied against students at the Auburn Main Campus authorized by a resolution of the Board adopted on June 7, 1999 (presently $75 per semester), to be used to pay a portion of the costs of the student center located on the Auburn Main Campus; and (iii) that portion (presently $160 per semester) of the student activity fee levied against students at the Auburn Montgomery Campus authorized by a resolution of the Board adopted on November 6, 2009, to be used to pay a portion of the costs of the new student wellness center to be located on the Auburn Montgomery Campus. The Pledged Student Fees were designated for the special purposes described above and were pledged to secure all Parity Bonds now or hereafter outstanding under the General Fee Revenue Indenture, including without limitation the Series 2014-A Bonds, by resolutions duly adopted by the Board.

The Pledged Student Fees for 2012 and 2013 are included in the amount of Historical General Fees shown in the table above under the heading "SECURITY AND SOURCE OF PAYMENT – The General Fees – *Historical General Fees.*"

The University's pledge of the Pledged Student Fees is a first-priority pledge that is not subject to any prior pledge by the University and does not secure the payment of debt service on any indebtedness of the University other than indebtedness issued under the General Fee Revenue Indenture. See "DEBT STRUCTURE OF THE UNIVERSITY - Outstanding Bonds under General Fee Revenue Indenture," "DEBT SERVICE REQUIREMENTS," and "SECURITY AND SOURCE OF PAYMENT – Parity Bonds" herein.

The Pledged Student Fees constitute a portion of the "Pledged Revenues" under the Indenture.

The Housing and Dining Revenues

The term "Housing and Dining Revenues", as used herein, means the gross revenues derived by the University from the operation of the housing and dining facilities owned by the University.

Partial Subordination of Pledge of Housing and Dining Revenues. **Except as provided in the following paragraph under the caption "Prior Pledge of 1978 Dormitory Revenues," the pledge of Housing and Dining Revenues under the General Fee Revenue Indenture is a first-priority pledge that is not subject to any prior pledge by the University and is not pledged to pay debt service on any indebtedness of the University other than indebtedness issued under the General Fee Revenue Indenture.**

Prior Pledge of 1978 Dormitory Revenues. **The University pledged the 1978 Dormitory Revenues as security for payment of its 1978 Dormitory Revenue Bonds. See "DEBT STRUCTURE OF THE UNIVERSITY – Outstanding 1978 Dormitory Revenue Bonds." The 1978 Dormitory Revenues are a part of the Housing and Dining Revenues, and the University's pledge of Housing and Dining Revenues under the General Fee Revenue Indenture is subordinate in all respects to the pledge of the 1978 Dormitory Revenues as security for the 1978 Dormitory Revenue Bonds.**

Remaining Debt Service Secured by Prior Pledge of 1978 Dormitory Revenues. Set forth below is the remaining debt service on the University's 1978 Dormitory Revenue Bonds, which are secured by a pledge of the 1978 Dormitory Revenues:

Fiscal Year	Principal	Interest	Total
2014	125,000	21,825	146,825
2015	125,000	18,075	143,075
2016	130,000	14,250	144,250
2017	135,000	10,275	145,275
2018	135,000	6,225	141,225
2019	140,000	2,100	142,100

Historical Pledged Net Housing and Dining Revenues. Set forth below are the historical Housing and Dining Revenues for the fiscal years indicated, after payment of debt service on the 1978 Dormitory Revenue Bonds and the University's Housing and Dining Revenue Bonds, Series 2003*:

Fiscal Year	Housing and Dining Revenues (all unaudited)
2013	$34,638,402
2012	28,948,047
2011	25,261,287
2010	17,497,829
2009	9,567,237

* The University's Housing and Dining Revenue Bonds, Series 2003 were secured by a pledge of the Housing and Dining Revenues that was senior to the pledge of Housing and Dining Revenues under the General Fee Trust Indenture. The University retired the Housing and Dining Revenue Bonds, Series 2003 upon their final maturity in 2012. As a result, debt service on the Housing and Dining Revenue Bonds, Series 2003 is included in the historical debt service used to calculate the information set forth in this table for Fiscal Years 2009 through 2013 but is not otherwise discussed under the heading "Housing and Dining Revenues".

The Housing and Dining Revenues constitute a portion of the "Pledged Revenues" pledged under the Indenture, and the 1978 Dormitory Revenues and constitute a portion of the "Housing and Dining Revenues" pledged under the Indenture, with each such pledge being subject to the University's prior pledge of the 1978 Dormitory Revenues to secure payment of the 1978 Dormitory Revenue Bonds.

The Athletic Program Revenues

The term "Athletic Program Revenues" means the gross revenues (including, without limitation, a portion of certain student fees) derived by the University from its intercollegiate athletic program, including, without limitation, all proceeds from the sales of tickets and from other fees and charges for admission to or use of facilities in connection with athletic events at Jordan-Hare Stadium and all other athletic facilities of the University, all concession revenues from such facilities, all payments for television and other broadcast rights referable to intercollegiate athletic events in which the University is a participant or to athletic conferences or associations of which the University is a member, all payments received by the University by way of settlement or otherwise from other institutions and from conferences or associations of which the University is a member and directly or indirectly related to the intercollegiate athletic program of the University; and that portion (presently $96 per student per semester) of the general tuition fee levied against all students of the University at the Auburn Main Campus designated for athletic purposes and allocated to the Athletic Department of the University.

Subordinate Pledge of Athletic Program Revenues. **The pledge of Athletic Program Revenues under the General Fee Revenue Indenture is subordinate in all respects to the University's prior pledge of the Athletic Program Revenues under the Athletic Revenue Indenture to secure the University's Athletic Revenue Bonds now or hereafter issued under the terms and conditions of the Athletic Revenue Indenture. See "DEBT STRUCTURE OF THE UNIVERSITY – Outstanding Bonds under Athletic Revenue Indenture" herein.**

Remaining Debt Service on Athletic Revenue Bonds. The University's Athletic Revenue Bonds, Series 2001-A are the only outstanding Athletic Revenue Bonds secured by the senior pledge of Athletic Program Revenues under the Athletic Revenue Indenture:

Fiscal Year	Series 2001 Athletic Bonds
2015	$3,915,000
2016	$3,915,000
2017	$3,915,000
2018	$3,920,000
2019	$3,920,000
2020	$3,920,000
2021	$3,915,000

Historical Pledged Net Athletic Program Revenues. Set forth below are the Athletic Program Revenues for the fiscal years indicated, after payment of debt service on the University's Athletic Revenue Bonds:

Fiscal Year	Athletic Program Revenues (all unaudited)
2013	$65,128,013
2012	65,430,132
2011	66,376,313
2010	54,185,836
2009	50,155,841

* The University's Athletic Revenue Bonds, Series 2004, were secured by a pledge of the Athletic Program Revenues that was senior to the pledge of Athletic Program Revenues under the General Fee Trust Indenture. The University retired the outstanding Athletic Revenue Bonds, Series 2004, upon their final maturity in 2014, which occurred after the end of the Fiscal Year ending September 30, 2013. As a result, debt service on the Athletic Revenue Bonds, Series 2004, is included in the historical debt service used to calculate the information set forth in this table for Fiscal Years 2009 through 2013 but is not otherwise discussed under the heading "The Athletic Program Revenues".

The Athletic Program Revenues, subject to the subordination described above, constitute a portion of the "Pledged Revenues" under the Indenture.

Maintenance of Pledged Revenues

In the Indenture, the University agrees that so long as the principal of and the interest on any bonds issued thereunder remain unpaid it will continue to levy and collect those fees and charges composing the Pledged Revenues, and it will from time to time make such increases and adjustments in such fees and charges and allocation and designation thereof as will produce during each fiscal year Pledged Revenues in an amount not less than 250% of the amounts required to make all payments into the Bond Fund established thereunder in respect of debt service on such bonds. The University may, however, reduce or otherwise adjust such fees and charges so long as the Pledged Revenues during each fiscal year are not less than 250% of the amount required for all payments to be made during the same fiscal year into such Bond Fund pursuant to the Indenture or any supplemental indenture.

For purposes of the foregoing covenant, Pledged Revenues shall be calculated by taking into account the fees and charges comprising the Pledged Revenues after deducting therefrom the annual debt service requirements under the 1978 Dormitory Revenue Bonds, the Athletic Revenue Indenture and the amounts, if any, required to be paid during the relevant fiscal year into the reserve funds established under the Athletic Revenue Indenture. For a summary of historical Pledged Revenues, see "SECURITY AND SOURCE OF PAYMENT – Source of Payment and Pledged Revenues" herein. For a summary of the amounts to be deducted in calculating Pledged Revenues for purposes of the foregoing covenant, see "SECURITY AND SOURCE OF PAYMENT – The Housing and Dining Revenues – *Remaining Debt Service Secured by Prior Pledge of 1978 Dormitory Revenues*" and "- The Athletic Program Revenues – *Remaining Debt Service on Athletic Revenue Bonds*" herein.

Special Funds

As security for the Series 2014-A Bonds, the University will grant the Trustee a security interest in the special funds established under the Indenture, as described in APPENDIX C, "Summary of the General Fee Revenue Indenture - Flow of Funds."

Parity Bonds

When the Series 2014-A Bonds are issued and the Refunded Bonds are defeased, the following bonds will be secured by the Indenture (i) the General Fee Revenue Bonds, Series 2006-A (except the Refunded Series 2006-A Bonds that are being refunded by the Series 2014-A Bonds offered pursuant to this Official Statement), (ii) the General Fee Revenue Bonds, Series 2007-A (except the Refunded Series 2007-A Refunded Bonds that are being refunded by the Series 2014-A Bonds offered pursuant to this Official Statement), (iii) the General Fee Revenue Bonds, Series 2007-B (Taxable), (iv) the General Fee Revenue Bonds, Series 2008, (v) the General Fee Revenue Refunding Bonds, Series 2009, (vi) the General Fee Revenue Bonds, Series 2011-A, (vii) the General Fee Revenue Bonds, Series 2012-A, (viii) the General Fee Revenue Bonds, Series 2012-B (Taxable) and (ix) the Series 2014-A Bonds.

There are no liens or pledges with respect to the General Fees or Pledged Student Fees that are prior to the lien of the Indenture. See "SECURITY AND SOURCE OF PAYMENT – The General Fees" and "- The Pledged Student Fees" and "DEBT STRUCTURE OF THE UNIVERSITY" herein.

There are no liens or pledges with respect to the Housing and Dining Revenues that are prior to the lien of the Indenture, other than the University's prior pledge of the 1978 Dormitory Revenues as security for the 1978 Dormitory Revenue Bonds. See "SECURITY AND SOURCE OF PAYMENT - The Housing and Dining Revenues" and "DEBT STRUCTURE OF THE UNIVERSITY" herein.

There are no liens or pledges of the Athletic Program Revenues that are prior to the lien of the Indenture, other than the University's prior pledge of those revenues under the Athletic Revenue Indenture. See "SECURITY AND SOURCE OF PAYMENT - The Athletic Program Revenues" and "DEBT STRUCTURE OF THE UNIVERSITY" herein.

The Indenture permits the issuance of Additional Bonds secured by the Indenture on a parity with the Series 2014-A Bonds and all other bonds now or hereafter outstanding under such Indenture. See "SECURITY AND SOURCE OF PAYMENT – Parity Bonds" and "- Additional Debt Covenant" and APPENDIX C - "Summary of the General Fee Revenue Indenture - Additional Bonds" herein.

Additional Debt Covenant

In the Indenture, the University covenants that so long as any of the Series 2014-A Bonds remain outstanding, the University will not issue any bonds or incur any other obligations secured by a pledge of the Pledged Student Fees, Housing and Dining Revenues or the Athletic Program Revenues, including, without limitation, bonds or other obligations issued under the Athletic Revenue Indenture, that are senior to the pledge of the Pledged Student Fees, Housing and Dining Revenues or Athletic Program Revenues contained in the General Fee Revenue Indenture (such bonds and other obligations, collectively, the "Other Senior Obligations") unless, at the time of such issuance or incurrence, the Executive Vice President of the University files a certificate with the Trustee certifying that the amount of Pledged Revenues received by the University during each of the two fiscal years next preceding the date of issuance or incurrence of the Other Senior Obligations, less the maximum amount payable in any Fiscal Year on the Other Senior Obligations proposed to be issued, is not less than 250% of the University's maximum annual debt service under the General Fee Revenue Indenture.

For purposes of the foregoing additional indebtedness covenant, Pledged Revenues shall be calculated by taking into account the fees and charges comprising the Pledged Revenues after deducting therefrom the annual debt service requirements under the 1978 Dormitory Revenue Bonds, the Athletic Revenue Indenture and the amounts, if any, required to be paid during the relevant fiscal year into the reserve funds established under the Athletic Revenue Indenture. For a summary of historical Pledged Revenues, see "SECURITY AND SOURCE OF PAYMENT – Source of Payment and Pledged Revenues" herein. For a summary of the amounts to be deducted in calculating Pledged Revenues for purposes of the foregoing covenant, see "SECURITY AND SOURCE OF PAYMENT – The Housing and Dining Revenues – *Remaining Debt Service Secured by Prior Pledge of 1978 Dormitory Revenues*" and "- The Athletic Program Revenues – *Remaining Debt Service on Athletic Revenue Bonds*" herein.

Limited Obligations

The Series 2014-A Bonds will not constitute a charge against the general credit of the University, and will not be payable from moneys appropriated to the University by the State of Alabama. The University has no taxing power. The State of Alabama will not be liable in any manner for the payment of the principal and interest on the Series 2014-A Bonds. **Holders of the Series 2014-A Bonds shall never have the right to demand payment of the Series 2014-A Bonds from the University from any source other than the special funds established under the Indenture and the Pledged Revenues and shall be entitled to payment from such sources only on a parity basis with all other bonds outstanding under the Indenture.**

THE PLAN OF FINANCING

The Series 2014-A Bonds are being issued for the purposes of (i) advance refunding certain maturities of the University's General Fee Revenue Bonds, Series 2006-A, (ii) advance refunding certain maturities of the University's General Fee Revenue Bonds, Series 2007-A, and (iii) paying costs of issuing the Series 2014-A Bonds

Plan of Refunding

Upon the delivery of the Series 2014-A Bonds, a portion of the proceeds of the Series 2014-A Bonds will be deposited into an escrow fund (the "Escrow Fund") established pursuant to an Escrow Trust Agreement dated as of July 1, 2014 (the "Escrow Trust Agreement") between the University and The Bank of New York Mellon Trust Company, N.A., as escrow agent (the "Escrow Agent"). See "SOURCES AND USES OF FUNDS" herein.

Concurrently with the deposit into the Escrow Fund, the University will irrevocably authorize and direct the Escrow Agent to call the Refunded Series 2006-A Bonds for redemption on June 1, 2016, and to call the Refunded Series 2007-A Bonds for redemption on June 1, 2017, which will constitute an advance refunding of all such bonds for federal tax purposes.

The Escrow Agent will invest the proceeds deposited in the Escrow Fund in cash and escrow securities sufficient to pay all principal, interest and premium, if any, due and payable on the Refunded Bonds to and including their respective redemption dates.

After giving effect to the deposit into the Escrow Fund, all of the Refunded Bonds will be defeased and no longer outstanding under the General Fee Revenue Indenture, except for provisions relating to registration, exchange and the method of payment. For a discussion of the bonds that will remain outstanding and secured on a parity basis under the General Fee Revenue Indenture after giving effect to the defeasance of the Refunded Bonds, see "DEBT STRUCTURE OF THE UNIVERSITY - Outstanding Bonds under General Fee Revenue Indenture."

SOURCES AND USES OF FUNDS

The estimated sources and uses of funds for the plan of financing with respect to the issuance of the Series 2014-A Bonds are as follows (rounded to the nearest whole dollar):

Sources of Funds	
Principal amount of Series 2014-A Bonds	$________
Original issue [discount/premium]	________
Total Sources	$________
Uses of Funds	
Deposit to Escrow Fund for Refunded Bonds	$________
Expenses of issuance (including Underwriter's discount, legal, accounting and other issuance expenses)	________
Total Uses	$________

DEBT STRUCTURE OF THE UNIVERSITY

Outstanding Bonds under General Fee Revenue Indenture

After giving effect to the issuance of the Series 2014-A Bonds and the plan of financing (including the defeasance of the Refunded Bonds pursuant to the Escrow Trust Agreement), the University will have the following long-term debt outstanding that is secured on a parity basis by a pledge of the General Fees under the General Fee Revenue Indenture:

Series 2014-A Bonds. These are the Bonds that are being offered pursuant to this Official Statement. The Series 2014-A Bonds are being issued as Additional Bonds under the Indenture and will be secured by the General Fee Revenue Indenture and the General Fees on parity with the Series 2012 Bonds, the Series 2011-A Bonds, the Series 2009 Bonds, the Series 2008 Bonds, the Series 2007-A Bonds and the Series 2006-A Bonds.

Series 2012 Bonds. The University has issued its General Fee Revenue Bonds, Series 2012-A and its General Fee Revenue Bonds, Series 2012-B (Taxable) (together, the "Series 2012 Bonds") for the purposes of (i) current refunding all of the University's 2003 General Fee Revenue Bonds, (ii) advance refunding the University's General Fee Revenue Bonds, Series 2004 maturing in years 2015 through 2034; its 2004-A Athletic Revenue Bonds maturing in 2013 through 2036; and its 2004-B Athletic Revenue Bonds (Taxable) maturing in 2013 through 2024; (iii) financing certain capital improvements at the University's Auburn Montgomery Campus; and (iv) paying the costs of issuing the Series 2012 Bonds. The Series 2012 Bonds are currently outstanding in the aggregate principal amount of $110,850,000 and mature in installments through 2042. The Series 2012-B Bonds are currently outstanding in the aggregate principal amount of $3,385,000 and mature in installments through 2024. The outstanding Series 2012 Bonds will continue to be secured by the General Fee Revenue Indenture and the General Fees on a parity with the Series 2014-A Bonds, the Series 2011-A Bonds, the Series 2009 Bonds, the Series 2008 Bonds, the Series 2007-A Bonds and the Series 2006-A Bonds.

Series 2011-A Bonds. The University has issued its General Fee Revenue Bonds, Series 2011-A (the "Series 2011-A Bonds") for the purpose of financing various capital improvements to University facilities. The Series 2011-A Bonds are currently outstanding in the aggregate principal amount of $226,035,000 and mature in installments through 2041. The outstanding Series 2011-A Bonds will continue to be secured by the General Fee Revenue Indenture and the General Fees on a parity with the Series 2014-A Bonds, the Series 2012 Bonds, the Series 2009 Bonds, the Series 2008 Bonds, the Series 2007-A Bonds and the Series 2006-A Bonds.

Series 2009 Bonds. The University has issued its General Fee Revenue Refunding Bonds, Series 2009 (the "Series 2009 Bonds") for the purpose of advance refunding the University's General Fee Revenue Refunding Bonds, Series 2001 and advance refunding the University's General Fee Revenue Bonds, Series 2001-A, both of which were issued for the purpose of making various capital improvements to University facilities. The Series 2009 Bonds are currently outstanding in the aggregate principal amount of $69,970,000 and mature in installments through 2026. The outstanding Series 2009 Bonds will continue to be secured by the General Fee Revenue Indenture and the General Fees on a parity with the Series 2014-A Bonds, the Series 2012 Bonds, Series 2011-A Bonds, the Series 2008 Bonds, the Series 2007-A Bonds and the Series 2006-A Bonds.

Series 2008 Bonds. The University has issued its General Fee Revenue Bonds, Series 2008 (the "Series 2008 Bonds") for the purpose of making various capital improvements to University facilities. The Series 2008 Bonds are currently outstanding in the aggregate principal amount of $83,345,000 and mature in installments through 2038. The outstanding Series 2008 Bonds will continue to be secured by the General Fee Revenue Indenture and the General Fees on a parity with the Series 2014-A Bonds, the Series 2012 Bonds, Series 2011-A Bonds, the Series 2009 Bonds, the Series 2007-A Bonds and the Series 2006-A Bonds.

Series 2007-A Bonds. The University has issued its General Fee Revenue Bonds, Series 2007-A (the "Series 2007-A Bonds") for the purpose of making various capital improvements to University facilities and mature in installments through 2038. After giving effect to the defeasance of the Refunded Series 2007-A Bonds described in this Official Statement, the Series 2007-A Bonds not refunded by the Series 2014A Bonds will remain outstanding and will continue to be secured by the General Fee Revenue Indenture and the General Fees on a parity with the Series 2014-A Bonds, the Series 2012 Bonds, Series 2011-A Bonds, the Series 2009 Bonds, the Series 2008 Bonds and the Series 2006-A Bonds.

Series 2006-A Bonds. The University has issued its General Fee Revenue Bonds, Series 2006-A (the "Series 2006-A Bonds") for the purpose of making various capital improvements to University facilities and mature in installments through 2037. After giving effect to the defeasance of the Refunded Series 2006-A Bonds described in this Official Statement, the Series 2006-A Bonds not refunded by the Series 2014A Bonds will remain outstanding and will continue to be secured by the General Fee Revenue Indenture and the General Fees on a parity with the Series 2014-A Bonds, the Series 2012 Bonds, Series 2011-A Bonds, the Series 2009 Bonds, the Series 2008 Bonds and the Series 2007-A Bonds.

The Series 2014-A Bonds, the Series 2012 Bonds, the Series 2011-A Bonds, the Series 2009 Bonds, the Series 2008 Bonds, the Series 2007-A Bonds and the Series 2006-A Bonds are further secured by a pledge of the Housing and Dining Revenues, subject to the prior pledge of the 1987 Dormitory Revenues, and the subordinate pledge of the Athletic Program Revenues. See "DEBT STRUCTURE OF THE UNIVERSITY –Outstanding Bonds under Athletic Revenue Indenture" and "Outstanding 1978 Dormitory Revenue Bonds" herein.

Outstanding Bonds under Athletic Revenue Indenture

After giving effect to the issuance of the Series 2014-A Bonds and the plan of financing described herein (including the defeasance of the Refunded Bonds pursuant to the Escrow Trust Agreement), the University will have the following long-term debt outstanding that is secured by a pledge of the Athletic Program Revenues under the Athletic Revenue Indenture:

Series 2001-A Athletic Revenue Bonds. The University has issued its Athletic Revenue Bonds, Series 2001-A (the "Series 2001-A Athletic Revenue Bonds") as capital appreciation bonds. Series 2001-A Athletic Revenue Bonds maturing in 2015 through 2021 will remain outstanding in the principal amount of $11,671,442 with a maturity value (including accrued, compounded interest) of $27,420,000.

The Series 2001-A Athletic Revenue Bonds are secured by a first-priority pledge of the Athletic Program Revenues that is senior to, and has priority in all respects over, the subordinate pledge of the Athletic Program Revenues that is contained in the General Fee Revenue Indenture. See "THE SERIES 2014-A BONDS - SECURITY AND SOURCE OF PAYMENT - Sources of Payment and Pledged Revenues" and "- The Athletic Program Revenues" herein. The foregoing Athletic Revenue Bonds are not payable from or secured by any other part of the Pledged Revenues.

Pursuant to the Athletic Revenue Indenture, the Series 2001-A Athletic Revenue Bonds are secured by a pledge of the Athletic Program Revenues on a parity basis with all other bonds issued from time to time under the Athletic Revenue Indenture. After giving effect to the plan of finance described in this Official Statement, the Series 2001-A Athletic Revenue Bonds will be the only Athletic Revenue Bonds outstanding under the Athletic Revenue Indenture, and the University has entered into a covenant not to issue additional bonds under the Athletic Revenue Indenture unless after delivery of such additional bonds, it can maintain compliance with certain financial covenants. See "SECURITY AND SOURCE OF PAYMENT – Sources of Payment and Pledged Revenues," " – Parity Bonds" and "- Additional Debt Covenant" herein.

Outstanding 1978 Dormitory Revenue Bonds

The University issued its 1978 Dormitory Revenue Bonds in connection with a dormitory financing through the United States Department of Housing and Urban Development. The 1978 Dormitory Revenue Bonds are currently outstanding in the aggregate principal amount of $665,000 and mature in installments through 2019. See "SECURITY AND SOURCE OF PAYMENT – The Housing and Dining Revenues - *Subordinate Pledge of Housing and Dining Revenues*" and "- *Remaining Debt Service Secured by Prior Pledge of 1978 Dormitory Revenues.*"

Miscellaneous Debt

The University has incurred various long-term debts (including notes and capitalized leases) that may be payable from one or more of the sources of Pledged Revenues, but such debts are not secured by a pledge of any of the Pledged Revenues and, to the extent such debts are payable from any of the Pledged Revenues, such debts are payable on a subordinate basis with respect to bonds issued under the General Fee Revenue Indenture. As of September 30, 2013, the outstanding principal amount of such debt for the University was $493,965.

Short-Term Debt

The University will not have any outstanding short-term debt payable from the Pledged Revenues when the Series 2014-A Bonds are issued. The University does not have any existing line of credit for working capital purposes that is payable from the Pledged Revenues.

Additional Debt

The University has a number of capital projects currently under construction or under consideration for construction. See APPENDIX A, "DIVISIONS AND FACILITIES – Capital Expenditures." The University expects to incur additional debt in the future to finance certain of those capital projects. The University also expects to incur additional debt in the future at times, in amounts, and for other purposes not yet determined. Such debt may be issued or incurred as Additional Bonds under the Indenture that are payable from the Pledged Revenues. For a description of the terms and conditions for issuance of Additional Bonds under the Indenture, see "SECURITY AND SOURCE OF PAYMENT – Parity Bonds" and "- Additional Debt Covenant" herein and APPENDIX C, "Summary of the General Fee Revenue Indenture – Additional Bonds" herein.

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DEBT SERVICE REQUIREMENTS

The following table[1] sets forth debt service requirements on all bonds that will be secured by a pledge of the General Fees after giving effect to the issuance of the Series 2014-A Bonds and the plan of financing described herein (including defeasance of the Refunded Bonds):

Fiscal Year Ending Sept. 30	Series 2006-A Bonds*	Series 2007-A Bonds*	Series 2008 Bonds	Series 2009 Bonds	Series 2011-A Bonds	Series 2012-A Bonds	Series 2012-B Bonds	Series 2014-A Bonds* Principal	Interest	Total	Total Debt Service*
2015	1,874,563	11,370,811	5,961,435	7,382,581	15,399,600	11,911,450	158,165	235,000	1,576,340	1,811,340	55,869,945
2016	1,877,619	11,370,311	5,965,560	7,375,581	15,391,850	11,922,850	161,425	100,000	1,714,944	1,814,944	55,880,140
2017	1,873,819	11,370,561	5,961,248	7,375,081	15,438,450	8,011,100	159,540	100,000	1,712,944	1,812,944	52,002,743
2018	409,069	11,361,561	5,961,178	7,822,581	15,401,050	8,008,100	157,655	1,475,000	1,710,944	3,185,944	52,307,138
2019	409,069	11,361,286	5,961,178	7,821,581	15,397,650	8,012,350	160,770	1,520,000	1,666,694	3,186,694	52,310,578
2020	409,069	11,362,161	5,967,578	7,823,081	15,396,400	8,013,100	158,740	1,580,000	1,605,894	3,185,894	52,316,023
2021	409,069	11,360,321	5,959,578	7,820,831	15,397,650	8,010,100	161,710	1,665,000	1,526,894	3,191,894	52,311,153
2022	409,069	11,363,571	5,964,803	7,824,331	15,400,650	7,118,100	1,029,535	1,750,000	1,443,644	3,193,644	52,303,703
2023	409,069	11,361,096	5,963,463	7,823,850	15,399,650	7,117,500	1,027,130	1,830,000	1,356,144	3,186,144	52,287,901
2024	409,069	11,358,496	5,960,950	7,825,650	15,399,150	7,119,250	1,029,000	1,925,000	1,264,644	3,189,644	52,291,209
2025	409,069	11,358,428	5,961,950	7,823,400	15,398,400	8,182,750		2,025,000	1,168,394	3,193,394	52,327,390
2026	409,069	11,367,238	5,960,700	7,826,000	15,399,000	8,184,500		2,120,000	1,067,144	3,187,144	52,333,650
2027	2,679,069	11,364,738	5,961,950		15,396,250	8,174,500		55,000	1,003,544	1,058,544	44,635,050
2028	312,594	11,367,238	5,965,200		15,396,000	8,182,750		2,280,000	1,000,794	3,280,794	44,504,575
2029	312,594	11,363,750	5,964,950		15,397,250	8,177,750		2,395,000	886,794	3,281,794	44,498,088
2030	312,594	11,370,000	5,965,950		15,399,000	8,179,500		2,515,000	767,044	3,282,044	44,509,088
2031	312,594	11,368,500	5,962,700		15,400,250	8,182,000		2,640,000	641,294	3,281,294	44,507,338
2032	312,594	11,368,750	5,964,950		15,400,000	8,179,500		2,770,000	509,294	3,279,294	44,505,088
2033	312,594	11,369,750	5,962,600		15,397,250	8,181,500		2,910,000	370,794	3,280,794	44,504,488
2034	312,594	11,365,500	5,960,750		15,396,000	8,182,000		3,055,000	225,294	3,280,294	44,497,138
2035	312,594	11,365,250	5,962,250		15,400,000	1,810,250		3,160,000	114,550	3,274,550	38,124,894
2036	3,807,594	11,367,750	5,962,000		15,397,750	1,809,000					38,344,094
2037	3,809,688	11,366,750	5,964,500		15,398,250	1,809,750					38,348,938
2038		11,366,250	5,964,000		15,400,000	1,812,250					34,542,500
2039					15,396,500	1,811,250					17,207,750
2040					15,396,500	1,811,750					17,208,250
2041					15,398,250	1,813,500					17,211,750
2042						1,811,250					1,811,250
	$22,104,719	$272,770,068	$143,111,418	$92,544,550	$415,788,750	$179,728,400	$4,203,670	$38,105,000	$23,334,022	$61,439,022	$1,193,501,846

* Preliminary, subject to change.

1/ For purposes of this table the principal amount of bonds to be retired in a fiscal year pursuant to mandatory redemption provisions is shown as maturing in that fiscal year.

DEBT SERVICE COVERAGE

Set forth in the table below is information about historical receipts from the Pledged Revenues during the fiscal years indicated, pro forma debt service requirements on bonds secured by the Pledged Revenues, and resulting coverage ratios:

	Fiscal Year Ended September 30	
	2013 (unaudited)	**2012 (unaudited)**
Pledged Revenues [1]	$487,125,042	$457,945,081
Pro forma maximum annual debt service[2]	$55,880,140	$55,880,140
Pro forma debt service coverage[3]	8.71 times	8.19 times

(1) This is the sum for the fiscal year indicated of the University's gross receipts from General Fees and its net receipts from Housing and Dining Revenues and Athletic Program Revenues after payment of debt service on bonds currently secured by the senior pledges of the Housing and Dining Revenues and Athletic Program Revenues. The Housing and Dining Revenues and Athletic Program Revenues are included in the calculation of pro forma debt service coverage, because they are pledged under the Indenture as security for bonds now or hereafter issued under the Indenture. The test for issuance of Additional Bonds and the rate covenant under the Indenture require in effect that the aggregate revenues described in this note (1) be not less than 250% of the aggregate annual debt service requirements on the secured bonds. See "SECURITY AND SOURCE OF PAYMENT – Additional Debt Covenant" herein.

(2) This is the pro forma maximum annual debt service on the Series 2014-A Bonds and all other bonds secured by the Indenture after giving effect to the plan of financing described in this Official Statement.

(3) This is the amount described in note (1) above for the fiscal year indicated divided by pro forma maximum annual debt service.

INTEREST RATE SWAPS

The University currently has no interest rate swap agreements in effect. The University has no present plans to enter into any interest rate swap agreements but may enter into such agreements from time to time in its discretion.

SPECIAL CONSIDERATIONS

General

An investment in the Series 2014-A Bonds involves certain risks which should be carefully considered by investors. The sufficiency of Pledged Revenues to pay debt service on the Series 2014-A Bonds may be affected by events and conditions relating to, among other things, general economic conditions, population in the University's basic service area, the demand for higher education, and legislative and administrative requirements on the University's operations.

Prospective investors should carefully examine this Official Statement and their own financial condition in order to make a judgment as to their ability to bear the economic risk of such an investment and whether or not the Series 2014-A Bonds are an appropriate investment for them.

Holders of the Series 2014-A Bonds should be aware that their rights and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and the exercise of judicial discretion in appropriate cases.

Limited Source of Payment

The Series 2014-A Bonds will be limited obligations of the University, payable solely from, and secured by a pledge of, the Pledged Revenues. See "SECURITY AND SOURCE OF PAYMENT".

The Series 2014-A Bonds will not be debts or obligations of the State of Alabama, and debt service on the Series 2014-A Bonds will not be payable out of any money provided or appropriated to the University by the State of Alabama. Holders of the Series 2014-A Bonds shall never have the right to demand payment of the Series 2014-A Bonds from the University from any source other than the special funds established under the Indenture and the Pledged Revenues and shall be entitled to payment from such sources only on a parity basis with all other bonds outstanding under the Indenture.

Limitation on Remedies Upon Default

The Indenture does not constitute a mortgage on or security interest in any properties of the University, and no foreclosure or sale proceedings with respect to any property of the University may occur. The University is exempt from all suits under the doctrine of sovereign immunity, but state law provides that agents and employees of the University may, by mandamus, be compelled to apply the Pledged Revenues to the payment of the Series 2014-A Bonds in accordance with the terms of the Indenture.

The remedies available to the registered holders of the Series 2014-A Bonds upon the occurrence of a default under the Indenture are in many respects dependant upon regulatory and judicial actions, which are often subject to discretion and delay. Under existing law, the remedies provided under the Indenture may not be readily available or may be limited, and no assurance can be given that a mandamus or other legal action to enforce payment under the Indenture would be successful. The various legal opinions to be delivered concurrently with the delivery of the Series 2014-A Bonds will be qualified as to enforceability of the various legal instruments, limitations imposed by bankruptcy, reorganization, insolvency or similar laws affecting the rights of creditors generally and by judicial discretion applicable to equitable remedies and proceedings generally.

State Proration

The University receives annual appropriations from the State of Alabama. No portion of the University's annual appropriation from the State of Alabama is pledged to secure bonds issued under the General Fee Revenue Indenture, including without limitation the Series 2014-A Bonds.

Applicable provisions of the Constitution of Alabama of 1901 effectively prohibit the State from engaging in deficit financing -- that is, state expenditures during any fiscal year may not exceed available revenues. State law provides procedures for delaying or, if necessary, reducing (or "prorating") appropriations of state revenues in order to maintain and enforce the constitutional ban on deficit financing. The postponement or reduction of State appropriations to the University as a consequence of proration may therefore result in reductions of expenditures by the University for certain budget items other than salaries (e.g. instructional materials, supplies and maintenance).

The following table sets forth the years in which proration has been enforced since 1985 and the amounts of such proration:

Year	Percentage Proration
1985-86	4.2133%
1990-91	6.5000%
1991-92	3.0000%
2000-01	6.2000%
2008-09	11.000%
2009-10	9.5000%
2010-11	3.0000%

For the 2007-2008 year, the University received $336,941,382 in state appropriations. For the 2008-2009 fiscal year, the State of Alabama declared total proration of 11%, which reduced the University's annual appropriation for that year to $261,691,096. For the 2009-2010 fiscal year, the University's annual appropriation from the State of Alabama, following a 9.5% proration, was reduced to $236,212,711. Appropriations for the fiscal year beginning October 1, 2010 and ending September 30, 2011, following a 3% proration, were $235,724,142. The State of Alabama did not declare proration for the 2011-2012 or 2012-2013 fiscal year. The following table summarizes the gross effect of proration on the dollar amount of the University's State appropriation for the fiscal years ending September 30 of the years indicated:

	2009	2010	2011	2012	2013
Budgeted Appropriation	$294,034,961	$261,002,790	$243,014,579	$247,816,148	$238,601,180
Proration Reduction	($32,343,865)	($24,790,079)	($7,290,437)	($0)	($0)
Received Appropriation	$261,691,096	$236,212,711	$235,724,142	$247,816,148	$238,601,180

As of the date of this Official Statement, the State of Alabama has not declared proration for the 2013-14 fiscal year, and the dollar amount of the University's State appropriation for the fiscal year ending September 30, 2014, is budgeted at $242,982,031.

The "Education Trust Fund Rainy Day Account" was established by an amendment to the Constitution of Alabama of 1901, which was adopted by statewide ballot on June 4, 2002, in order to prevent the proration of state appropriations for education (including higher education expenditures). The Constitutional amendment also contains provisions for the replenishment of the Education Trust Fund Rainy Day Account. No assurance can be given, however, that funds in such account will be available to prevent future proration, or that the State will be able to replenish the account if drawn upon. Neither the funds in the Education Trust Fund Rainy Day Account nor any state appropriations are pledged as security for the Series 2014-A Bonds.

The American Recovery and Reinvestment Act also allowed the Governor to bridge a portion of the appropriations gap during the fiscal years ending September 30, 2010 and 2011, and the Governor allocated approximately $51.8 million in state fiscal stabilization funds to the University for the combined fiscal years 2010 and 2011, which helped offset the effects of proration.

In addition, the University has taken steps to mitigate the effects of proration. The Board of Trustees approved a restructuring of tuition and fees for resident and non-resident students in the March, 2010 meeting, and at its meeting on April 15, 2011, the Board of Trustees approved a 4.1% increase in tuition for both undergraduate and graduate students enrolled at the Auburn Main Campus and approved 12% and 14% increases in tuition for undergraduate and graduate students, respectively, enrolled at the Auburn Montgomery Campus. See "ACCOUNTING AND FINANCIAL INFORMATION – Major Sources of Revenue – *Student Tuition and Fees*." In addition, the Board of Trustees approved at its meeting on April 15, 2011, a fee of $200.00 per semester per student enrolled at the Auburn Main Campus in order to offset the effects of proration. Commencing with the 2014-2015 academic year, this proration fee will no longer be charged as a separate fee but will continue to be charged in the same amount and combined with other fees as part of a student services fee. Finally, the University has identified selected reallocations within the budget and cost reductions to minimize the impact of this decrease. The Board of Trustees approved the University's annual operating budget for fiscal year 2014 at its meeting on September 13, 2013.

The University cannot predict to what extent State revenues appropriated to the University will be subject to proration in any subsequent fiscal year or the extent to which the University can mitigate its impact. Funds subject to proration are not pledged for the security of the Series 2014-A Bonds. The University has identified a portion of its unrestricted fund balance to serve as a reserve to mitigate the effects of future proration on its finances, if necessary.

General Factors Affecting the Pledged Revenues

No representation can be made and no assurance can be given that receipts from the Pledged Revenues will be sufficient to make the required payments of debt service on the Series 2014-A Bonds and pay the necessary operating expenses of the University. Such receipts are subject to a variety of factors that could adversely affect debt service coverage, including general economic conditions, population in the University's basic service area, the demand for higher education, and legislative and administrative requirements on the University's operations.

Tax-Exempt Status of Series 2014-A Bonds

It is expected that the Series 2014-A Bonds will qualify as tax-exempt obligations for federal income tax purposes as of the date of issuance. See "TAX MATTERS". It is anticipated that Bond Counsel will render an opinion substantially in the form attached hereto as Appendix D, which should be read in its entirety for a complete understanding of the scope of the opinions and the conclusions expressed therein. A legal opinion expresses the professional judgment of the attorney rendering the opinion as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

The tax status of the Series 2014-A Bonds could be affected by post-issuance events. There are various requirements of the Internal Revenue Code that must be observed or satisfied after the issuance of the Series 2014-A Bonds in order for the Series 2014-A Bonds to qualify for, and retain, tax-exempt status. These requirements include appropriate use of the proceeds of the Series 2014-A Bonds, use of the facilities financed or refinanced by the Series 2014-A Bonds, investment of bond proceeds, and the rebate of so-called excess arbitrage earnings. Compliance with these requirements is the responsibility of the University.

The Internal Revenue Service conducts an audit program to examine compliance with the requirements regarding tax-exempt status. Under current IRS procedures, in the initial stages of an audit with respect to the Series 2014-A Bonds, the University would be treated as the taxpayer, and the owners of the Series 2014-A Bonds may have limited rights to participate in the audit process. The initiation of an audit with respect to the Series 2014-A Bonds could adversely affect the market value and liquidity of the Series 2014-A Bonds, even though no final determination about the tax-exempt status has been made. If an audit results in a final determination that the Series 2014-A Bonds do not qualify as tax-exempt obligations, such a determination could be retroactive in effect to the date of issuance of the Series 2014-A Bonds.

In addition to post-issuance compliance, a change in law after the date of issuance of the Series 2014-A Bonds could affect the tax-exempt status of the Series 2014-A Bonds or the effect of investing in the Series 2014-A Bonds. For example, the federal government is considering various proposals to reduce federal budget deficits and the amount of federal debt, including proposals that would eliminate or reduce indirect expenditures made through various deductions and exemptions currently allowed by the income tax laws. The exemption for interest on tax-exempt bonds is one of the indirect expenditures that could be affected by a deficit reduction initiative. Some deficit-reduction proposals would eliminate the exemption for interest on tax-exempt bonds. Other proposals would place an aggregate cap on the total amount of exemptions and deductions that may be claimed by a taxpayer, or a cap on the exemption for interest on tax-exempt bonds. Changes in the rate of the federal income tax, including so-called "flat tax" proposals, could also reduce the value of the exemption. Changes affecting the exemption for interest on tax-exempt bonds, if enacted, could apply to tax-exempt bonds already outstanding, including the Series 2014-A Bonds offered pursuant to this Official Statement, as well as bonds issued after the effective date of such legislation. It is not possible to predict whether Congress will adopt legislation affecting the exemption for tax-exempt bonds, what the provisions of such legislation may be, whether any such legislation will be retroactive in effect, or what effect any such legislation may have on investors in the Series 2014-A Bonds. Investors should consult their own tax advisers about the prospects and possible effect of future legislation that could affect the exemption for interest on tax-exempt bonds.

The General Fee Revenue Indenture does not provide for the payment of any additional interest or penalty if a determination is made that the Series 2014-A Bonds do not comply with the existing requirements of the Internal Revenue Code or if a subsequent change in law adversely affects the tax-exempt status of the Series 2014-A Bonds or the effect of investing in the Series 2014-A Bonds.

The United States Bankruptcy Code

Chapter 9 of the United States Bankruptcy Code permits a political subdivision, public agency or instrumentality of a State to file a petition for relief in federal bankruptcy courts if the subdivision, agency or instrumentality is insolvent within the meaning of Chapter 9 and is authorized under applicable state law to seek such relief. The University, as an instrumentality of the State of Alabama, meets the initial eligibility requirement for a debtor under Chapter 9 of the United States Bankruptcy Code, as set forth at 11 U.S.C. §109(c)(1), because it is a "municipality" as defined at 11 U.S.C. §101(40), but the University is not expressly authorized by Article XIV, Section 266 of the Alabama Constitution of 1901 or by Ala. Code § 16-48-1 et seq to initiate a Chapter 9 proceeding. Therefore, absent enactment of a new enabling statute by the Alabama legislature that specifically authorizes a filing by the University, or by all instrumentalities of the State of Alabama, the University does not appear to be eligible to be a "debtor" under Chapter 9 of the United States Bankruptcy Code.

Nonetheless, Chapter 9 has been rarely used, and there is little precedent concerning its interpretation or the interpretation of related state laws, so there can be no definitive assurance that the University would be prevented from filing a petition for relief under Chapter 9, and if it did so, what relief would be provided. For example, Chapter 9 of the Bankruptcy Code provides certain protections to creditors whose debts are secured by pledged special revenues; however, because of the limited precedent available with respect to Chapter 9, it is possible that a federal bankruptcy court could reject or circumscribe certain of these provisions under the facts of a specific case.

As a "municipality" within the meaning of the United States Bankruptcy Code, the University's eligibility to be a debtor is governed solely by 11 U.S.C. §109(c). A "municipality" within the meaning of Chapter 9 of the United States Bankruptcy Code cannot seek relief as a "debtor" under other chapters of the United States Bankruptcy Code, including without limitation Chapters 7 and 11.

ACCOUNTING AND FINANCIAL INFORMATION

Accounting

Effective October 1, 2001, the University adopted Government Accounting Standards Board Statement No. 35, *Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities* (GASB Statement No. 35). During 2013, the University adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, as well as GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The adoption of these statements changed the presentation of certain financial statement line items, as well as restated some prior year balances. In accordance with these standards, the University's financial report includes three renamed financial statements: the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows. These financial statements are prepared in accordance with Governmental Accounting Standards Board (GASB) principles, which establish standards for external financial reporting for public colleges and universities on an entity-wide perspective and require that resources be classified in three net position categories: (1) Net investment in capital assets, (2) Restricted net position, and (3) Unrestricted net position.

Beginning with the fiscal year 2002, the financial statements of the University have been prepared on the accrual basis of accounting and all significant, interdivisional transactions between auxiliary units and other funds have been eliminated. The University reports as a Business Type Activity (BTA) as defined by GASB Statement No. 35. BTAs are those institutions that are financed in whole or in part by fees charged to external parties for goods or services.

The University adheres to GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units-an amendment of GASB Statement No. 14*. This statement clarifies GASB Statement No. 14, *The Financial Reporting Entity*, which provides criteria for determining whether such organizations for which a government is not financially accountable should be reported as component units. During fiscal year 2013, the University adopted GASB Statement No. 61, *The Financial Reporting Entity: Omnibus-an Amendment of GASB Statements No. 14 and No. 34*. Due to the fact that the exclusion of such organizations would render the entity's financial statements misleading or incomplete, the University has included financial statements for Auburn University Foundation, Tigers Unlimited Foundation, Auburn Alumni Association and Auburn Research and Technology Foundation in these financial statements, as discretely presented component units. Auburn University Real Estate Foundation, Inc. has been consolidated into Auburn University Foundation's financial statements, as an affiliated supporting organization. The University's component units' financial statements are presented following the University's financial statements. The component units are not GASB entities; therefore, their respective financial statements adhere to accounting principles under the Financial Accounting Standards Board (FASB) Accounting Standards Codification.

Auburn University Foundation (AUF) is a qualified charitable organization established on February 9, 1960, existing solely for the purpose of receiving and administering funds for the use of the University. AUF's activities are governed by its own board of directors.

The Auburn University Real Estate Foundation, Inc. (AUREFI) is a qualified charitable organization created on July 5, 2005, which is owned and controlled by the AUF solely for the purpose of receiving and administering real estate gifts. The AUREFI's activities are governed by its own Board of Directors. AUREFI has been consolidated into AUF's financial statements.

Tigers Unlimited Foundation (TUF) is an independent corporation that began operations on April 21, 2004. It was formed for the sole purpose of obtaining and disbursing funds for the University's Intercollegiate Athletics Department. TUF's activities are governed by its own board of directors with transactions being maintained using a June 30 fiscal year end date.

The Auburn Alumni Association (the Association) is an independent corporation organized on April 14, 1945, to promote mutually beneficial relationships between the University and its alumni to encourage loyalty among alumni, and to undertake various other actions for the benefit of the University, its alumni and the State of Alabama. Membership is comprised of alumni, friends and students of the University. The Association's activities are governed by its own board of directors.

The Auburn Research and Technology Foundation (ARTF) is an independent corporation organized on August 24, 2004 to facilitate the acquisition, construction and equipping of a technology and research park on the Auburn Main Campus. ARTF activities are governed by its own board of directors.

In order to ensure observance of limitations and restrictions placed on the use of certain funds, the various accounts are maintained in accordance with the principles of "fund accounting." Separate accounts are maintained for each of the University's four major funds, which are (i) Current Funds, (ii) Loan Funds, (iii) Endowment and Similar Funds, and (iv) Plant Funds. This procedure segregates unrestricted funds from restricted funds which have been allocated to specific purposes by the Board. Externally restricted funds (i.e., grants or gifts) may only be utilized in accordance with the specified purposes of the donor.

Personnel and Retirement System

The employees of the University participate in a retirement system established by the Legislature of Alabama that includes both the Teacher's Retirement System of Alabama and the Employee's Retirement System of Alabama (the "Retirement System"). Contributions to the Retirement System are made by both the employees and the University. The respective amounts of such contributions are established by the Legislature of Alabama. The University's obligations under the Retirement System are described more particularly in the audited financial statements of the University included in Appendix B to this Official Statement. As of the date of this Official Statement, the University is current with respect to its funding obligations to the Retirement System. See "APPENDIX B – 2013 Financial Report of the University – Note 12."

In June 2012, the Governmental Accounting Standards Board issued Statement No. 68, *Accounting and Financial Reporting for Pensions* ("GASB No. 68" or the "Standard"). The Standard generally requires that in financial statements of governmental entities prepared using the economic resources measurement focus and accrual basis of accounting, such as those of the University, an employer that does not have a special funding situation is required to recognize a liability for its proportionate share of the net pension liability of a multi-employer plan such as the Retirement System. It also changes the amount and method of recognition of periodic pension expense, as well as required certain new disclosures. This standard is effective for the University's fiscal year ending September 30, 2015. The University's management has not fully evaluated the impact of the adoption of GASB No. 68 on its financial statements, but it is reasonably possible that its adoption will have a material impact on the University's future statements of net position (including recognition of a material long-term liability), of revenues, expenses, and changes in net position, and of cash flows.

Other Post-Employment Benefits

The University adopted GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions,* during fiscal year 2007. GASB Statement No. 45 requires governmental entities to quantify the costs of other post-employment benefits (which includes post-employment benefits other than pensions, such as health or life insurance) that accrue with respect to current employees, to recognize these costs as a current liability, and to disclose the actuarial accrued liability and related funding level, if any, for other post-employment benefits already accrued for both current and past employees.

The University offers post-employment health care benefits to all employees who retire officially from the University. Health care benefits are offered through the State of Alabama Public Education Employees Health Insurance Plan (PEEHIP) or Auburn University's self-insured Retiree Medical Plan, which is available only to select retirees, to employees who are not eligible for PEEHIP or to employees who were grandfathered as Civil Service employees. Employees included in the actuarial valuation under GASB Statement No. 45 include retirees or their surviving beneficiaries, active Civil Service employees who are eligible to participate in the plan, and those employees for whom the University pays a subsidy with respect to PEEHIP due to their election to participate in PEEHIP on or prior to October 1, 1997. In accordance with the transition provisions of GASB Statement No. 45, the University accrued an additional $1,329,425 in retiree health care expense during the fiscal year 2013. For additional information, see Notes 13 and 14 and Required Supplemental Information of the University's financial statements.

Description of Funds

Current Unrestricted Funds. Current Unrestricted Funds are the University's largest classification of funds. Moneys deposited into these funds may be used for any purpose designated by the Board. Major sources of revenue for the Current Unrestricted Funds include (i) State appropriations; (ii) tuition and fees; (iii) auxiliary enterprises; (iv) sales, services and other incomes; and (v) private gifts.

Current Restricted Funds. Funds which are made available to the University for stipulated purposes are deposited into the Current Restricted Funds. The purposes for which the funds may be used are specified by the donor or grantor. Sources of Current Restricted Funds receipts include (i) federal appropriations; (ii) governmental grants and contracts; and (iii) private gifts.

Loan Funds. Loan Funds are established to account for loans made to students of the University. Sources of funding include loans and grants from the federal government and private funds. Terms of student loans vary depending upon the specific program under which the loan was obtained. The Perkins student loan cohort default rate for fiscal year 2013 was 7.96%.

Endowment and Similar Funds - Quasi. These funds consist of assets set aside which are invested and may be expended at the direction of the Board.

Endowment and Similar Funds - True. These funds consist of gifts given for which the principal may not be invaded. The income derived from these investments is used for projects designated by the donor.

As of September 30, 2013, the University's total endowment market value, including trusts held by others for which the University is the beneficiary, totaled approximately $570,061,360 (unaudited).

Unrestricted Plant Funds. Funds deposited into the Unrestricted Plant Funds may be expended for any capital purpose as designated by the Board. Funds for these capital expenditures are surpluses generated from the operation of the University.

Restricted Plant Funds. The University deposits all moneys needed to service funded debt into the Restricted Plant Funds for debt service payments.

Although the University periodically receives appropriations from bond issues of the Alabama Public School and College Authority (the "Authority"), no funds are transferred to the University by the Authority. The University requisitions sums allotted by the Authority to the University as required for either construction or for payment of debt service on capital improvements.

Budgetary Process

The budgetary process at the University begins in November when the Legislative Budget Request is presented to the Executive Budget Office of the State of Alabama, the Legislative Fiscal Office of the State of

Alabama and the Alabama Commission on Higher Education. In January and February, units submit budget request forms through the Provost's Office and the Executive Vice President's Office for consideration in the following year's budget. From March through May, the Budget Advisory Committee (the "BAC") meets to prioritize needs for the coming year. The Executive Vice President's office provides the BAC with estimated revenue figures based on anticipated State appropriations, estimated student fees and ancillary revenues. By early May, the BAC presents to the President its recommendations for the distribution of new funds.

By late May, the President reviews the BAC's recommendations and makes his recommendations to the Board, once the State Legislature passes the Education Appropriation Bill and the Governor signs it. Following Board approval, which has occurred typically in early June, the general guidelines and budget documents are distributed to all units with a requested completion date of late July. The budget documents are then balanced, reviewed and consolidated by the University Budget Office during July and August. The final proposed budget is prepared and delivered to the full Board prior to the regular September meeting. At the regular September meeting, the Finance Committee of the Board votes on the proposed budget before it goes to the full Board for its approval.

Major Sources of Revenue

Student Tuition and Fees. The largest source of revenue for the University is the student tuition and other fees payable by all students enrolled at the University. These funds may be used for any purpose designated by the Board, but historically the funds have been expended primarily for instructional purposes. The Board has the sole authority to establish the student tuition and fees, which it may set at whatever level it considers appropriate and in the best interests of the University. State appropriations are not increased or reduced based on, or otherwise offset against, revenues from student tuition and fees.

Student tuition and fees received at the Auburn Main Campus for the fiscal year ended September 30, 2013, including amounts received from the special student building fee, were $314,028,163 (unaudited) (net of discounts and allowances of $97,464,758 (unaudited)).

Effective with the Fall term of 2013, the Board instituted the following tuition and fee schedule for students at the Auburn Main Campus:

Fee Classification	Tuition and Fees
Full-time undergraduate student (in-state)	$4,328 per semester
Full-time graduate student (in-state)	$4,331 per semester
Non-resident undergraduate student	$12,584 per semester
Non-resident graduate student	$12,593 per semester
Veterinary Medicine student (in-state)	$8,331 per semester
Non-resident Veterinary Medicine student	$20,593 per semester
Pharmacy student (in-state)	$9,614 per semester
Non-resident Pharmacy student	$17,876 per semester
Architecture professional student (in-state)	$6,488 per semester
Non-resident Architecture professional student	$14,744 per semester
Student registration fee	$598 per semester(1)(2)
Part-time undergraduate credit hour fee	$344 per credit hour
Part-time graduate credit hour fee	$459 per credit hour
Non-resident undergraduate part-time credit hour fee	$1,032 per credit hour
Non-resident graduate part-time credit hour fee	$1,377 per credit hour

(1) Includes a mandatory fee of $96 per student on the Auburn Main Campus that is allocated to the Athletic Department and is excluded from General Fees but is included in Athletic Program Revenues.

(2) Also includes (i) a mandatory fee imposed on each student on the Auburn Main Campus (currently $200 per semester) allocated by the Board to pay for construction, equipping and operation of the new wellness facility now under construction on the Auburn Main Campus, and (ii) a mandatory fee imposed on each student on the Auburn Main Campus (currently $80 per semester) allocated by the Board to pay for construction, equipping and operation of the student center on the Auburn Main Campus. The student fees referenced in this footnote are included within the Pledged Student Fees.

Student tuition and fees received at the Auburn Montgomery Campus for the fiscal year ended September 30, 2012, including amounts received from special fees, were $31,202,849 (unaudited) net of discounts $10,230,725 (unaudited).

Effective with the Fall term of 2013, the Board instituted the following tuition and fee schedule for students at the Auburn Montgomery Campus:

Fee Classification	Tuition and Fees
Full-time undergraduate student (in-state)	$3,240 per semester
Full-time graduate student (in-state)	$2,997 per semester
Non-resident undergraduate student	$9,720 per semester
Non-resident graduate student	$8,991 per semester
Mandatory student fees	$213 per semester(1)
Undergraduate credit hour fee	$270 per credit hour
Non-resident undergraduate credit hour fee	$810 per credit hour
Graduate credit hour fee	$333 per credit hour
Non-resident graduate credit hour fee	$999 per credit hour

(1) Includes a technology fee of $8, an administrative service fee of $35,a student fee of $10, and a fee of $170 allocated by the Board to help pay for construction, equipping and operation of the new wellness facility now under construction on the Auburn Montgomery Campus. The $160 portion of the student fee referenced in this footnote constitutes a portion of the Pledged Student Fees.

State Appropriations Operational and Maintenance Purposes. Annual appropriations from the State are also a major source of revenue for the University. After the University receives its annual appropriation, requisitions for the month are sent to the State approximately three days prior to the ensuing month. State appropriations must be used for operational and maintenance purposes.

A substantial portion of the State tax revenues is paid into the Alabama Educational Trust Fund (the "ETF") and is appropriated for educational purposes, including appropriations for the University and other institutions of higher learning. The ETF was established in 1927 by Act of the Legislature, and revenues are paid into the ETF pursuant to constitutional provisions and continuing appropriations of the Legislature. Among the State taxes paid into the ETF are the utilities gross receipts and use taxes, lease taxes, sales taxes, income taxes, and a portion of the State ad valorem taxes.

Appropriations from the ETF for the University for the years ended September 30, 2009 through 2013, are as follows:

Year	Total
2009	$261,691,096
2010	236,212,711
2011	235,724,142
2012	247,816,148
2013	238,601,180

Appropriations to the University are allocated to the four divisions of the University (Auburn University Main Campus, Auburn University at Montgomery, Alabama Agricultural Experiment Station and Alabama Cooperative Extension System) by the State Legislature. The method of appropriation can vary from year to year.

For the fiscal years ending September 30, 2009, 2010 and 2011, the University's annual appropriation from the State of Alabama was reduced on a percentage basis as a result of proration. The University took steps to mitigate a portion of the impact of proration. For the fiscal years ended September 30, 2012 and 2013, the annual appropriation was not prorated.

Sales and Service. Revenues from enterprise activities such as student housing, food service, the University Book Store, the University Printing Service, and the Athletic Department are classified as auxiliary revenues. The moneys generated by these enterprise activities have historically remained with the unit from which the revenues were derived. In the event the administration deems it desirable to transfer surplus revenues from these units, it has the authority to do so.

The University's Housing and Dining Revenues have been pledged to its Housing and Dining Revenue Bonds, Series 2003, and to any additional bonds issued in accordance with the Housing and Dining Revenue Indenture. The pledge of the Housing and Dining Revenues secures on a parity basis all bonds now or hereafter issued under the General Fee Revenue Indenture, subject to the prior pledge of Housing and Dining Revenues made under the Housing and Dining Revenue Indenture. In addition, housing revenues from the dormitories financed with the 1978 Dormitory Revenue Bonds have been pledged to the payment of the debt service on those bonds, and that pledge has priority over the pledge of the Housing and Dining Revenues under the General Fee Revenue Indenture.

Auxiliary Revenues from the sales and service activities at the University for the fiscal year ended September 30, 2013 were $104,542,266 (net of scholarship allowances of $7,041,111 and intra University revenues of $15,087,933 (unaudited)).

Federal Grants and Contracts. Auburn receives certain funds from the United States government for specific research and public-service oriented purposes. The University makes such requests to the appropriate governmental agency for specific projects and, if the requests are granted, all funds must be used for the specified project.

Revenues from Federal grants and contracts, exclusive of capital items, at the University for the fiscal year ended September 30, 2013 were $69,712,138.

Sales and Services (Educational). In the course of instruction by certain departments of the University, fees for sales and services rendered by those departments are received. All moneys received for those services are deposited in Current Funds (Unrestricted).

Receipts from sales and services at the University for the fiscal year ended September 30, 2013, were $41,965,810.

Financial

The following section contains certain financial information for the University as follows: (i) excerpts from the 2013-2014 budget, and (ii) a comparison of the revenues, expenses and changes in net position for the fiscal years 2009 through 2013. The budget information for fiscal year 2014 includes current funds only, as approved by the Board of Trustees.

The University's audited financial statements for the year ended September 30, 2013 are attached as APPENDIX B.

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