

STATE BOARD OF EDUCATION
Analysis of the Financial Plan for Florida International University Housing System
for Fiscal Year 2006-2007

(FIU Housing System)

Sources of Funds

Basis for Amounts

Bond Sale Amount	\$ 36,500,000	Maximum bond sale amount based on an interest rate of 6.0% for 30 years. The bonds will be issued as fixed rate, tax-exempt bonds through the Division of Bond Finance.
Less: Underwriter's Discount	\$ (730,000)	Estimate based on a 2% discount.
Bond Insurance	\$ (600,457)	Estimate based on .75% of total debt service payments.
Cost of Issuance	\$ (150,000)	Estimated by the Division of Bond Finance based upon comparable bond issues.
Net Bond Proceeds	\$ 35,019,543	
Plus: Interest Earnings (Construction Trust Fund)	\$ 792,546	Estimate is based on net bond proceeds on deposit in the Construction Fund invested for 19 months at an interest rate of 2.5%, considering equal monthly draws.
Plus: Contribution from Housing System	\$ 1,890,000	
Total Sources of Funds	\$ 37,702,089	

Uses of Funds

Project Cost (Planning, Construction & Equipment, including contingency for construction)	\$ 33,758,651	Represents per gross square foot project cost of approximately \$116.21 per square foot. This compares to \$95.52 per square foot for the FIU 1998 University Park Housing Complex that opened in Fall 2000.
Deposit to Debt Service Reserve Account	\$ 109,000	Equal to 4% of the estimated maximum annual debt service payment due on the proposed bonds. If a surety bond cannot be obtained, the reserve account will be funded at maximum annual debt service of approximately \$2,725,000, resulting in less proceeds available for the project.
Estimated Interest to be Paid During Construction (Capitalized Interest)	\$ 3,832,500	Capitalized interest through the July 1, 2006, interest payment will be paid from bond proceeds.
Bond Rounding Amount	\$ 1,938	
Total Uses of Funds	\$ 37,702,089	

Debt Service Coverage - Housing System Fiscal Year 2006-2007

Operating Revenues Series 1993	\$ 7,364,878	Projected operating revenues for Fiscal Year 2006-2007 for FIU Housing System (Series 1993)
Less: Operating Costs	\$ (3,225,207)	Projected operating expenses for Fiscal Year 2006-2007.
Revenue Available for Debt Service	\$ 4,139,671	Net revenue available for debt service from operations during Fiscal Year 2006-2007.
Annual Debt Service 2006-2007	\$ (2,215,533)	Total amount includes estimated debt service for the Series 1993 Bonds for 2006-2007 (Dade County Educational Facilities Authority).
Net Revenue Available	\$ 1,924,138	
Revenue Proposed Project, Series 1998 and Series 2000	\$ 10,169,658	Revenue from Proposed Project and Series 1998 and Series 2000 Housing projects (Towers and Everglades)
Less: Operating Costs	\$ (3,387,803)	Projected operating expenses for Fiscal Year 2006-2007.
Revenue Available for Debt Service	\$ 6,781,855	
Annual Debt Service Series 1998 and Series 2000	\$ (2,832,389)	Total amount includes debt service for the Series 1998 and Series 2000 only (Towers and Everglades)
Net Revenue Available	\$ 3,949,466	
Total Net Revenue Available	\$ 5,873,604	Total Revenue Available from Housing System (Series 1993, Series, 1998, Series 2000, and Series 2004)
Debt Service Proposed Bond Issue	\$ 2,725,000	New Student Housing IV (Lakeview Housing) Series 2004 Debt Service - Proposed Bond Issue
Debt Service Coverage Ratio	2.16	

* The financial analysis is based upon information provided by Florida International University and the Division of Bond Finance, State Board of Administration.