

**FLORIDA BOARD OF EDUCATION
DIVISION OF COLLEGES AND UNIVERSITIES
UWF Foundation 2002 Student Residence Hall Project - Phase I
Analysis of the Financial Plan**

(UWF Foundation 2002 Student Residence Hall Project - Phase I)

<u>Sources of Funds</u>		<u>Basis for Amounts</u>
Certificates of Participation Amount	\$ 6,500,000.00	Proposed bond sale amount (4.5% for 15 years). Bonds to be issued by the City of Gulf Breeze on behalf of the University of West Florida Foundation.
Less: Underwriter's Discount	0	
Insurance Premium	\$ (50,000.00)	
Cost of Issuance	\$ (50,000.00)	Estimated cost for bond issuance work fee and counsel fees.
Net Bond Proceeds	\$ 6,400,000.00	
Plus: Interest Earnings	\$ 92,500.00	Interest earnings based on 2.5% for 12 month construction period for Phase I.
Existing Cash Revenues	\$ 1,000,000.00	
Total Sources of Funds	\$ 7,492,500.00	
 <u>Uses of Funds</u>		
Planning, Construction & Equipment Project - Phase I (Including contingency for construction and for asbestos removal and demolition of remaining Northside Dorms)	\$ 7,191,853.00	Represents per gross square foot project cost of approximately \$115 per square foot. This compares to \$100 per square foot for the UWF Foundation 1999 Student Residence Hall Project - Phase I & II. Phase I opened Fall semester 2000.
Debt Service Reserve Account	N/A	Variable rate financing does not require a debt service reserve fund.
Estimated Interest to be Paid During (Capitalized interest and start-up costs)	\$ 300,647.00	Capitalized interest based on 10 month construction period for Phase I.
Total Uses of Funds	\$ 7,492,500.00	
 <u>Debt Service Coverage - 2002 Student Residence Hall Project - Phase I</u>		
Total Revenue	\$ 681,720.00	Based on occupancy rates of 97.5% Fall/95% Spring and 30% Summer plus \$35,000 summer camp and vending revenue. Gross potential rent excludes staff apartments.
Less: Operating Costs	\$ (173,575.00)	Cost per bed per year is estimated to be \$1,261.
Revenue Available for Debt Service	\$ 508,145.00	Also available for annual contributions to building maintenance and furniture reserve.
Annual Debt Service (2003-2004)	\$ 442,500.00	Based on 4.5% average interest rate throughout the loan period.
Debt Service Coverage Ratio	1.15	

*The financial analysis is based upon information received from the University of West Florida.

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Analysis of the Financial Plan for FGCU North Lake Village - Phase IV
for Fiscal Year 2003-2004

(North Lake Village - Phase IV Only)

Sources of Funds

Basis for Amounts

Certificates of Participation Amount	\$	8,000,000	Maximum Series 2002 Certificates of Participation amount based on a variable interest rate of 6.00% for 30 years. The bonds will be issued as fixed or variable rate debt through the FGCU Foundation. FGCU intends to minimize long term service costs with a mix of fixed and variable rate debt, limiting interest rate risk through the use of financing instruments such as interest rate caps.
Less: Cost of Issuance		(160,000)	Estimated cost for bond counsel and other costs associated with the issuance of the Series 2002 Certificates of Participation
Net Bond Proceeds		7,840,000	
Plus: Interest Earnings		274,800	Estimate is based on net bond proceeds on deposit in the 2003 Project Construction Fund, invested for 12 months at an interest rate of 7% with a declining balance
Total Sources of Funds	\$	8,114,800	

Uses of Funds

Planning, Construction & Equipment (Including contingency for construction)	\$	7,634,800	Cost of design, construction, oversight and equipment. The project cost is \$26,883 per bed or \$99 per gross square foot. This is comparable to the project cost of Phase III of \$99 per square foot and \$26,883 per bed.
Debt Service Reserve Account		N/A	Variable rate financing does not require a debt service reserve fund. Unobligated housing funds and a letter of credit are committed and annual revenues are insufficient to cover debt service obligation
Estimated Interest to be Paid During Construction (Capitalized Interest)		480,000	Capitalized interest through and including the August 31, 2003 debt service payment at 6%
Total Uses of Funds	\$	8,114,800	

Debt Service Coverage - North Lake Village Phase IV

Total Operating Revenue	\$	889,739	Based on projected housing revenues generated by Phase IV during fiscal year 2003-2004, the first complete year of operations. Assume a 75% occupancy rate for Fall and Spring semesters, and no Summer income.
Less: Operating Costs		(251,380)	Projected operating expenditures for Phase IV during fiscal year 2003-2004 which appear to be reasonable based on staff analysis of projected costs and incremental costs for the facilities
Revenue Available for Debt Service	\$	638,359	
Annual Debt Service (2003-2004)		511,559	Debt service payment for the proposed Series 2002 Certificates of Participation attributable to Phase IV only

Debt Service Coverage Ratio **1.25**