

STATE BOARD OF EDUCATION
Analysis of the Financial Plan for USF Student Residence Life
Enhancement Project Phase IIB and Phase III
for Fiscal Year 2004-2005*

(Maple II and Beta Hall Remodeling)

<u>Sources of Funds</u>		<u>Basis for Amounts</u>
Certificates of Participation Amount	\$ 34,665,000.00	Maximum Series 2003-A Certificates of Participation amount based on an interest rate of 6.00% for 30 years. The bond sizing assumes a variable rate debt, no interest rate cap, and no upfront credit enhancement premium. The 6% interest rate is inclusive of ongoing fees for remarketing, liquidity, and credit enhancement. If market conditions are favorable, the variable rate will be converted to a fixed rate for a period of three to seven years.
Less: Cost of Issuance	\$ (175,000.00)	Estimated cost for bond counsel and other costs associated with the issuance of the Series 2003 Certificates of Participation
Underwriter's Discount	(121,328.00)	Assumed to be \$3.00 per thousand.
Net Bond Proceeds	\$ 34,368,672.00	
Plus: Interest Earnings (Construction Trust Fund)	\$ 611,849.00	Estimate is based on net bond proceeds on deposit in the 2003 Project Construction Fund invested for 18 months at an interest rate of 2.00%.
Plus: Interest Earnings (Capitalized Interest Account)	\$ 41,219.00	Estimate is based on net bond proceeds on deposit in the Capitalized Interest Account at a rate of 2.00%.
Total Sources of Funds	\$ 35,021,740.00	
<u>Uses of Funds</u>		
Planning, Construction & Equipment (including contingency for construction)	\$ 32,500,000.00	The building construction cost for Maple II is \$109.75 per square foot. The total project cost is \$39,830 per bed, \$128.87 per square foot. The construction cost for Beta Hall Renovation is \$94.10 per square foot. The total project cost is \$29,364 per bed and \$116.21 per square foot. The new construction is comparable to Andros Corners that was built at a total project cost of \$36,312 per bed and \$106.13 per square foot. Included in the costs are reconfiguration and new parking (\$491,000), and Maple Drive improvements (\$561,885). The total project cost for Maple I is \$23,977,551, and the total project cost for Beta Hall Renovation is \$8,398,134.
Rounding/Contingency Amount	2,750.00	
Debt Service Reserve Account	N/A	Variable rate financing does not require a debt service reserve fund.
Estimated Interest to be Paid During Construction (Capitalized Interest)	\$ 2,518,990.00	Estimate is based on net bond proceeds on deposit in the Capital Interest Account at a rate of 2.5%.
Total Uses of Funds	\$ 35,021,740.00	
<u>Debt Service Coverage - Maple II and Beta Hall</u>		
Maple II	\$ 2,626,114.00	Based on projected rental rates of \$4,740 for singles and \$3,424 for doubles, an occupancy rate of 96% and other revenues generated by Maple II.
Beta Hall Renovation	\$ 981,363.00	Based on a projected rental rate of \$4,228 for singles and \$2,921 for doubles, an occupancy rate of 98% and other revenues generated by Beta Hall.
Total Operating Revenues	\$ 3,607,477.00	
Less: Operating Cost - Maple II	\$ (641,304.00)	Projected operating expenditures for Maple II during 2004-2005 are \$1,065.29 per bed/year.
Operating Cost - Beta Hall	\$ (383,711.00)	Projected operating expenditures for Beta Hall during 2004-2005 are \$1,300.72 per bed/year.
Total Operating Cost	\$ (1,025,015.00)	
Revenue Available for Debt Service	\$ 2,582,462.00	
Estimated Annual Debt Service (2004-2005)	\$ 2,535,800.00	The maximum debt service payment of \$2,536,700 for the Series 2003 Certificates of Participation occurs in 2005-2006.
Debt Service Coverage Ratio	1.02	

* The financial analysis is based on information provided by the University of South Florida and Public Financial Management, Inc., as financial advisor to the University of South Florida Foundation.