

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*

(Housing System)

Sources of Funds

Basis for Amounts

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	

Uses of Funds

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 and \$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 II 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	

Debt Service Coverage - Housing System

Total USF Housing System Revenue (Excludes Holly I, Holly II, Magnolia I, Andros Corners, Special Purpose Housing, and Maple II) (Includes Gamma Hall and Beta Hall)	\$ 6,977,034.00	Based on projected rental rates, an occupancy rate of 95%, and other revenues generated by the USF Housing System for 2004-2005.
Less: Operating Costs (Excludes Holly I, Holly II, Magnolia I, Andros Corners and Special Purpose Housing) (Includes Gamma Hall & Beta Hall)	\$ (4,572,437.00)	Projected operating expenditures for the USF Housing System during 2004-2005.
Less: Prior Lien Debt Service	\$ (864,212.50)	The Series 1965 Certificates have a senior lien on the revenues generated by Andros II. 1996A Bonds have a senior lien on the revenues generated by the remaining housing facilities.
Less: Building Maintenance and Equipment	\$ (209,311.00)	Based on 3% of total operating revenues.
Revenue Available for Debt Service From USF Housing System Revenue	\$ 1,331,073.50	Net revenue available for debt service from operations of the USF Foundation Housing System.
Total Revenue - Foundation Housing System (Includes Holly I, Holly II, Magnolia I,	\$ 11,457,401.00	Based on projected rental rates, an occupancy rate of 95% (96% for Maple II) and other revenues generated during

Andros Corners and Special Purpose Housing, and Maple II)		2004-2005 by the Student Housing facilities financed through the USF Foundation.
Less: Operating Costs - Foundation Housing System (Includes Holly I, Holly II, Magnolia I, Andros Corners, Special Purpose Housing, and Maple II)	\$ (3,509,843.00)	Based on projected operating expenditures during 2004-2005 by the student housing facilities financed through the USF Foundation
Revenue Available for Debt Service from USF Foundation Housing System	\$ 7,947,558.00	
Total Revenue Available for Debt Service	\$ 9,278,631.50	
Estimated Annual Debt Service (2004-2005)	\$ 6,549,767.00	Debt service payment for the outstanding Series 1983 Bonds and the Series 1999, Series 2000, Series 2002 Certificates of Participation, and the proposed Series 2003 Certificates include interest and principal.
Debt Service Coverage Ratio	1.42	

* 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.