

**STATE BOARD OF EDUCATION
DEPARTMENT OF EDUCATION
Analysis of the Financial Plan for FAU Housing System Revenue Bonds
for Fiscal Year 2004-2005***
(Housing System)

<u>Sources of Funds</u>		<u>Basis for Amounts</u>
Bond Sale Amount	\$ 24,045,000.00	Maximum Series 2003 Bond sale amount based on an interest rate of 6.00% for 30 years. The bonds will be issued as fixed-rate, tax exempt bonds through the Division of Bond Finance.
Less: Underwriter's Discount	\$ (240,450.00)	Estimate is based on a 1.00% discount rate.
Bond Insurance	\$ (395,696.00)	Estimate is based on .75% of total debt service payments.
Cost of Issuance (including Arbitrage Fee)	\$ (95,000.00)	Estimate is based on net bond proceeds on deposit in the Project Construction Trust Fund invested for 12 months at an interest rate of 2.5%.
Net Bond Proceeds	\$ 23,313,854.00	
Plus: Interest Earnings (Construction Trust Fund)	\$ 271,721.00	Estimate is based on net bond proceeds on deposit in the Project Construction Trust Fund invested for 12 months at an interest rate of 2.5%.
Total Sources of Funds	\$ 23,585,575.00	
 <u>Uses of Funds</u>		
Planning, Construction & Equipment	\$ 20,370,000.00	The building construction cost per square foot is \$106.00. Total project cost is \$33,950 per bed and \$134.00 per square foot. This cost is consistent with construction cost for the FAU 2000 student housing facility with a building construction cost of \$95.00 per square foot.
Debt Service Reserve Account	\$ 1,772,400.00	Based on the highest year's debt service.
Estimated Interest to be Paid During Construction (Capitalized Interest)	\$ 1,442,700.00	Capitalized interest through and including the July 1, 2004 debt service payment at 6.00%.
Rounding/Contingency Amount	\$ 475.00	
Total Uses of Funds	\$ 23,585,575.00	
 <u>Debt Service Coverage -</u>		
Total Revenue - FAU Housing System	\$ 10,943,041.00	Based on projected rental fees and other revenues generated by the FAU housing system during 2004-2005, the first full year of operation.
Less: Operating Costs	\$ (4,863,064.00)	Projected operating expenditures for the FAU housing system during 2004-2005.
Revenue Available for Debt Service From Housing System Revenue	\$ 6,079,977.00	
Annual Debt Service - 2004-2005	\$ 4,723,418.00	Debt Service payment for all outstanding bonds for 2004-2005.
Debt Service Coverage Ratio	1.29	

* The financial analysis is based upon information provided by Florida Atlantic University.