

STATE BOARD OF EDUCATION

**Analysis of the Financial Plan for University of Central Florida
Renovation and New Addition to UCF Health Center
for Fiscal Year 2005-2006**

(Renovation/Expansion of Student Health Center)

<u>Sources of Funds</u>		<u>Basis for Amounts</u>
Bond Sale Amount	\$ 8,000,000.00	Maximum Series 2004 Bond sale amount based on an interest rate of 6.5% for 20 years. The bonds will be issued as fixed-rate tax-exempt bonds through the Division of Bond Finance.
Less: Underwriter's Discount	\$ (160,000.00)	Estimate is based on a 2% discount rate.
Bond Insurance	\$ (109,814.00)	Estimate is based on .75% of total debt service payments.
Cost of Issuance	(100,000.00)	Estimated by the Division of Bond Finance based upon comparable bond issues.
Net Bond Proceeds	\$ 7,630,186.00	
Plus: Interest Earnings (Construction Trust Fund)	\$ 74,427.00	Estimate is based on net bond proceeds on deposit in the Project Construction Trust Fund invested for 10 months at an interest rate of 2.50%.
Plus: Contribution of cash from Student Health Services Fund Balance	\$ 323,849.00	
Total Sources of Funds	\$ 8,028,462.00	
 <u>Uses of Funds</u>		
Planning, Construction & Equipment (including contingency for construction)	\$ 7,999,564.00	The construction cost for the UCF Health Center project is \$130.91 per gross square foot based on the Building Program for the UCF Student Health Center Dated May 2003.
Debt Service Reserve Account Surety Bond Premium	\$ 28,898.00	Equal to 4% of the estimated maximum annual debt service payment on the proposed bonds. If a surety bond cannot be obtained, the reserve account will be funded at maximum annual debt service of approximately \$722,450, resulting in less proceeds available for the expansion and renovation projects
Estimated Interest to be Paid During Construction (Capitalized Interest)	N/A	No capitalized interest will be paid from bond proceeds. Interest during construction is to be paid from revenues or reserves of the Student Health Center.
Total Uses of Funds	\$ 8,028,462.00	
 <u>Debt Service Coverage - Gross Revenue Pledge</u>		
<u>UCF Student Health Center</u>		
Health Fee Collections	\$ 6,421,000.00	Based on a fee of \$6.18 per credit hour per student. Excludes Service Fees.
Annual Debt Service for 2005-2006	\$ 722,450.00	Debt Service payment for Series 2004 bonds for Year 2005-2006.
Debt Service Coverage Ratio	8.89	
 <u>Debt Service Coverage - Net Revenue Pledge</u>		
<u>UCF Student Health Center</u>		
Total Operating Revenue (Includes Health Fees and Service Fees)	\$ 8,971,000.00	Projected operating revenues for Year 2005-2006 which represent the first complete year of operation. The figures are based on an annual growth rate of 6.5% due to planned enrollment increases, increased marketing efforts and expanded health services. Includes \$.18 per credit hour health fee increase in Fall 2004. Fees for services are generally cost plus percentage
Less: Operating Costs	\$ (7,783,000.00)	Projected operating expenses for the project for Year 2005-2006. The calculations are based on the same growth assumptions as for revenues and rising medical costs.
Revenue Available for Debt Service	\$ 1,188,000.00	Projected annual surplus from operations during Year 2005-2006 before Auxiliary Overhead assessment
Annual Debt Service for 2005-2006	\$ 722,450.00	Debt Service payment for Series 2004 bonds for Year 2005-2006.
Debt Service Coverage Ratio	1.64	

* The financial analysis is based on information provided by the University of Central Florida.