

FLORIDA BOARD OF EDUCATION
DIVISION OF COLLEGES AND UNIVERSITIES
Analysis of the Financial Plan for FGCU North Lake Village - Phase IV
for Fiscal Year 2003-2004

(Housing System)

Sources of Funds

Basis for Amounts

Certificates of Participation Amount	\$ 8,000,000	Maximum Series 2002 Certificates of Participation amount based on an 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 if annual revenues are insufficient to cover debt service obligations.
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 - Housing System

Total Operating Revenue (North Lake Village Phases I, II, III and IV)	\$ 4,380,613	Based on projected rental rates, an occupancy rate of 91% in Phases I, II and III for Fall/Spring semesters, a Fall semester occupancy rate of 80% in Phase IV and a Spring semester occupancy rate of 70% for Phase IV. Summer semester occupancy rates for Phases I, II and III have been estimated to be 45%. No Summer income has been projected for Phase IV.
Less: Operating Costs	(1,443,753)	Projected operating expenditures for Phases I, II, III and 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	\$ 2,936,860	Net revenue available for debt service from operations. Based on a projected term rental rate of \$2,100 for singles and \$1,775 for doubles.
Annual Debt Service (2003-2004)	2,206,346	Debt service payment for the Series 2002 Certificates of Participation calculated at 6%, including \$300,000 payment of principle.
Debt Service Coverage Ratio	1.33	