

Shepherd University Board of Governors
June 10, 2004
Agenda Item No. 4

**INFRASTRUCTURE
AND SHAW AND THACHER HALL
RENOVATION FINANCING**

University staff have continued to work with Bond Counsel and the underwriter to review options and prepare for prospective financing of the infrastructure and residence hall capital projects. This would involve West Campus infrastructure work at amounts not to exceed \$3.9 million, and residence hall renovations not to exceed \$2 million.

At the May meeting, members inquired about the feasibility of bypassing the use of underwriters altogether for a note financing arrangement. Upon further review it has been determined that the Code would permit this, but the Higher Education Policy Commission staff have indicated that the HEPC would expect the use of an underwriter on any debt financing that requires HEPC approval.

It is presently contemplated that with Board approval, this financing proposal could be advanced to the HEPC for its approval at the June 18, 2004 meeting. It is further anticipated that the issue closing date for the notes would be on or about August 10, and the bonds would close on or about August 24.

The following resolutions would appoint the Chair, the Vice Chair, and the President as “Authorized Persons” who could sign necessary documents and make final decisions on the financings, subject only to the stipulations that the documents be in form substantially similar to the drafts, which follow, of the Indentures, Preliminary Offering Statement, and Bond (or Note) Purchase Agreement. Both of the draft Indentures are presented herein. In the interest of paper-economy, only the drafts applicable to the bonds are included for the Purchase Agreement and the Preliminary Offering Statement. The bond and note drafts for these two items are substantially similar, except as to the “Pledged Revenues”. For the notes, pledged revenues include all of the housing and dining auxiliaries revenues. For the infrastructure bond, only the new student capital fee is pledged. All document drafts are available for the review of any member at their request. During the next two weeks University staff will continue to work with bond counsel and underwriter to explore whether the revenues pledged on the notes can be narrowed without injury to the Moody’s rating.

The following resolutions are recommended for adoption by the Board of Governors:

1.

**SUPPLEMENTAL RESOLUTION
OF THE SHEPHERD UNIVERSITY
BOARD OF GOVERNORS WITH RESPECT TO THE
ISSUANCE BY THE SHEPHERD UNIVERSITY BOARD OF
GOVERNORS OF NOT TO EXCEED \$3,900,000 IN
AGGREGATE PRINCIPAL AMOUNT OF SHEPHERD
UNIVERSITY BOARD OF GOVERNORS
INFRASTRUCTURE REVENUE BONDS, SERIES 2004B**

WHEREAS, by Resolutions adopted on January 8, 2004, April 8, 2004 and May 13, 2004 (collectively, the “Prior Resolutions”), the Shepherd University Board of Governors (the “Board”) approved, and by this Supplemental Resolution does hereby approve, the planning, design, acquisition, construction and equipping of certain roads, water and sewer system expansions, extensions and improvements and other infrastructure projects on the West Campus of Shepherd University (the “University”) and other capital renovations and improvements to the University’s Campus (the “Project”) and the financing of the costs of the Project through the issuance of Infrastructure Revenue Bonds by the Board (the “Bonds”); and

WHEREAS, the Board desires to approve the forms of the Bond Trust Indenture and Security Agreement, the Preliminary Official Statement and the Bond Purchase Agreement relating to the Bonds, which shall be substantially in the forms presented at this meeting, with such additions, deletions, modifications or other changes as may be approved by the President of the University, the Chairperson of the Board or Vice Chairperson of the Board (each, an “Authorized Officer”).

**NOW, THEREFORE, BE IT RESOLVED BY THE SHEPHERD
UNIVERSITY BOARD OF GOVERNORS THAT:**

1. The form of the Bond Trust Indenture and Security Agreement (the “Indenture”), between the Board and a trustee to be designated by an Authorized Officer, substantially in the form presented at this meeting, is hereby approved and each Authorized Officer is hereby authorized and directed to execute and deliver said Indenture on behalf of the

Board, with such additions, deletions, modifications or other changes as shall be approved by the Authorized Officer executing the same, the execution of said Indenture by the Authorized Officer to be conclusive evidence of such approval.

2. The form of the Preliminary Official Statement (the “Preliminary Official Statement”) relating to the Bonds, substantially in the form presented at this meeting, is hereby approved, with such additions, deletions, modifications or other changes as shall be approved by an Authorized Officer.

3. The form of the Bond Purchase Agreement (the “Bond Purchase Agreement”), between the Board and Ferris, Baker Watts, Incorporated, substantially in the form presented at this meeting, is hereby approved and each Authorized Officer is hereby authorized and directed to execute and deliver said Bond Purchase Agreement on behalf of the Board, with such additions, deletions, modifications or other changes as shall be approved by the Authorized Officer executing the same, the execution of said Bond Purchase Agreement by the Authorized Officer to be conclusive evidence of such approval.

4. Except as expressly supplemented, modified or amended hereby, the Prior Resolutions shall remain in full force and effect, and the same are hereby ratified and affirmed in all respects and all prior actions taken by the Board in connection therewith and in connection with the Bonds are likewise ratified and affirmed in all respects.

Adopted by the Shepherd University Board of Governors at a meeting held on June 10, 2004.

SHEPHERD UNIVERSITY
BOARD OF GOVERNORS

By: _____
Chairperson

2.

**SUPPLEMENTAL RESOLUTION
OF THE SHEPHERD UNIVERSITY
BOARD OF GOVERNORS WITH RESPECT TO THE
ISSUANCE BY THE SHEPHERD UNIVERSITY BOARD OF
GOVERNORS OF NOT TO EXCEED \$2,000,000 IN
AGGREGATE PRINCIPAL AMOUNT OF SHEPHERD
UNIVERSITY BOARD OF GOVERNORS UNIVERSITY
FACILITIES REVENUE NOTES, SERIES 2004A**

WHEREAS, by Resolutions adopted on January 8, 2004, April 8, 2004 and May 13, 2004 (collectively, the “Prior Resolutions”), the Shepherd University Board of Governors (the “Board”) approved, and by this Supplemental Resolution does hereby approve, the planning, design, acquisition, construction and equipping of certain renovations and improvements to Shaw Hall and Thacher Hall and other capital renovations and improvements to the University’s residence halls (the “Project”) and the financing of the costs of the Project through the issuance of University Facilities Revenue Notes by the Board (the “Notes”); and

WHEREAS, the Board desires to approve the forms of the Bond Trust Indenture and Security Agreement, the Preliminary Official Statement and the Notes Purchase Agreement relating to the Notes, which shall be substantially in the forms presented at this meeting, with such additions, deletions, modifications or other changes as may be approved by the President of the University, the Chairperson of the Board or Vice Chairperson of the Board (each, an “Authorized Officer”).

**NOW, THEREFORE, BE IT RESOLVED BY THE SHEPHERD
UNIVERSITY BOARD OF GOVERNORS THAT:**

1. The form of the Bond Trust Indenture and Security Agreement (the “Indenture”), between the Board and a trustee to be designated by an Authorized Officer, substantially in the form presented at this meeting, is hereby approved and each Authorized Officer is hereby authorized and directed to execute and deliver said Indenture on behalf of the

Board, with such additions, deletions, modifications or other changes as shall be approved by the Authorized Officer executing the same, the execution of said Indenture by the Authorized Officer to be conclusive evidence of such approval.

2. The form of the Preliminary Official Statement (the “Preliminary Official Statement”) relating to the Notes, substantially in the form presented at this meeting, is hereby approved, with such additions, deletions, modifications or other changes as shall be approved by an Authorized Officer.

3. The form of the Notes Purchase Agreement (the “Notes Purchase Agreement”), between the Board and Ferris, Baker Watts, Incorporated, substantially in the form presented at this meeting, is hereby approved and each Authorized Officer is hereby authorized and directed to execute and deliver said Notes Purchase Agreement on behalf of the Board, with such additions, deletions, modifications or other changes as shall be approved by the Authorized Officer executing the same, the execution of said Notes Purchase Agreement by the Authorized Officer to be conclusive evidence of such approval.

4. As further set forth in the Resolution adopted by the Board on May 13, 2004, upon the recommendation of the University’s Underwriter, Ferris, Baker Watts, Incorporated, a Private Placement Agreement may be substituted for the Note Purchase Agreement described in 3 above and in such event each Authorized Officer is authorized and directed to execute and deliver on behalf of the Board such a Private Placement Agreement among the Board, the Underwriter and the original purchaser or purchasers of the Notes, in such form as such Authorized Officer shall approve. The execution of such Private Placement Agreement by the Authorized Officer shall be conclusive evidence of such approval. Further, a Private Placement Memorandum may, upon the recommendation of the Underwriter be substituted for the Preliminary Official Statement described in 2 above and for the related Official Statement and in such event each Authorized Officer is authorized and directed to execute such a Private Placement Memorandum on behalf of the Board and to deliver the same to the Underwriter for distribution, said Private Placement Memorandum to be in such form as an Authorized Officer shall approve. The execution of the Private Placement Memorandum by such Authorized Officer shall be conclusive evidence of such approval.

5. The Board hereby directs that the Notes be publicly offered, privately placed or otherwise marketed as determined by an Authorized Officer after consultation with the University's Underwriter, Ferris, Baker Watts, Incorporated, as to which method of marketing the Notes is most advantageous to the University, such determination to be set forth in the Certificate of Determination to be executed by an Authorized Officer pursuant to Section 7 of the Resolution adopted by the Board on May 13, 2004,

6. Except as expressly supplemented, modified or amended hereby, the Prior Resolutions shall remain in full force and effect, and the same are hereby ratified and affirmed in all respects and all prior actions taken by the Board in connection therewith and in connection with the Notes are likewise ratified and affirmed in all respects.

Adopted by the Shepherd University Board of Governors at a meeting held on June 10, 2004.

SHEPHERD UNIVERSITY
BOARD OF GOVERNORS

By: _____
Chairperson

**SHEPHERD UNIVERSITY
FINANCIAL FEASIBILITY STUDY**

This Financial Feasibility Study is being submitted for approval of bond sale from the Higher Education policy Commission and is to be included in the Annual Budget for 2006.

Submission Date: June 7, 2004

Name of Agency/Institution: Shepherd University Agency Code: 0486

Project Name: Infrastructure and University Facilities

Project Amounts: \$3,430,000 (Approximately) Infrastructure
\$1,860,000 (Approximately) University Facilities

Proposed Financing Arrangement: Bonds Capital Lease Other (specify)

Requested Type of Financing:

- A. Infrastructure Revenue Bonds
- B. University Facilities Revenue Notes

Submitted by: Name: Ed Magee

Title: Vice President for Administration and Finance

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The attached Financial Feasibility Study has been prepared using information and projections believed to be reliable and accurate for the purpose of estimating the demand and affordability of the proposed capital project.

Section 1 - General Information – To be completed for all projects.

- 1. Describe the project in sufficient detail so that an uninformed reader has a clear understanding of the project. Indicate whether the project involves new construction or is a renovation/addition to an existing facility.**

Infrastructure: The University will build an infrastructure and road system on the west campus to support the future development of student housing, athletic fields and a proposed facilities building.

University Facilities: Asbestos in the ceilings of Shaw and Thacher residence halls will be removed and the structures will be renovated.

- 2. Describe how the project is essential to fulfilling the institution's/agency's mission. Address the alternatives available if the project is not undertaken.**

Infrastructure:

Infrastructure: This project is included in the Campus master plan and will support the development of student housing, athletic facilities and a facilities and maintenance building that are planned for the west campus. The University does not currently provide the quality and quantity of housing that upperclassmen need. Additional facilities are needed to support intercollegiate athletics and intramurals. The campus master plan provides for a new facilities and maintenance building on the west campus. The current building is in a poor location and is not large enough to serve the needs of the campus. Excess funds may be used to fund other infrastructure projects on the University campus.

University Facilities: Shaw and Thacher Halls have been closed because asbestos in the ceilings has started to delaminate. The University must abate the asbestos and renovate the structures to house students in them for the fall semester. These residence halls house 254 students. Housing must be provided so the University can sustain its current enrollment.

- 3. Was the project part of the agency's 2002-2004 capital outlay submission? If so, include a copy of the project narrative.**

Yes, the projects are included in the funding request are a part of the University's 2004-2006 capital outlay submission.

- 4. Describe the effect the project will have on those students or users who will financially support the project.**

Infrastructure: Students will be able to use and access the housing and athletic facilities projects that are planned for the west campus. Staff and suppliers will be able to use and have access to the facilities and maintenance building.

University Facilities: Students will live in Shaw and Thacher Halls.

- 5. Explain whether the project will affect the institution's need for student financial aid.**

Infrastructure: This project will be paid by a fee paid by undergraduate students who are enrolled in the baccalaureate institution. To the extent that the fees increase the cost of attendance for the residents, additional expenses will be reflected in a higher cost of attendance for Shepherd University students. An increase in the cost of attendance will affect the institution's need for student financial aid. The increased student needs will be addressed through the use of Title

IV Federal Student aid programs, in addition to State programs. As these costs increase, the University will work to maximize the number of students who apply for financial aid.

University Facilities: The University increased student housing rental fees 9% for Fiscal Year 2005. To the extent that the rental fees increase the cost of attendance for the residents, additional expenses will be reflected in a higher cost of attendance for Shepherd University students. An increase in the cost of attendance will affect the institution's need for student financial aid. The increased student needs will be addressed through the use of Title IV Federal Student aid programs, in addition to State programs. As these costs increase, the University will work to maximize the number of students who apply for financial aid.

6. Describe the probable effects of the project on the community and environment, including changes to the value of property as a result of the project.

Infrastructure: These projects will have a minimal negative impact on the local community. The new campus entrance will be adjacent to several residences. The project has been discussed with the owners of these residences. The new residents that will be supported by the infrastructure will have a positive effect on the local economy. If Shepherdstown annexes the west campus, the students will be included in its population. This in turn will increase the funds available to the town through sources that use population to determine the level of funding for grants and appropriations. There will be little or no effect on the environment. There will be minimal, if any, changes to local property values.

University Facilities: The interiors of the buildings will be the primary focus of the renovations. There will be minimal impact on the local community.

7. Explain how the project and its impact have been conveyed to local officials and their reaction/response.

Infrastructure: The construction of the project discussed with and accepted by the local community during the development of the master plan.

University Facilities: This project has not been discussed with local officials, because the impact is minimal.

8. Describe any other positive or negative effects the project may have.

Infrastructure: The development of the west campus will have a positive effect on enrollment.

9. Briefly describe the financing proposal. Indicate if this proposal is for a bond financing, a capital lease, or some other less traditional financing arrangement.

Infrastructure: The University plans to issue revenue bonds in August of 2004 to wholly finance the project with a final maturity between 25 and 30 years. Based on interest rates as of June 7, 2004, the University could issue bonds with a maturity of 25 years, assuming the bonds are rated at least an "A3" from Moody's Investors Service and a debt service coverage ratio of between 1.00x and 1.05x the maximum annual debt service. If bonds are issued with a maturity greater than 25 years, and to the extent excess student fees have accumulated during the anticipated 10-year optional redemption period on the bonds, the University will consider using the excess funds to call bonds with the longest maturity.

University Facilities: The University plans to issue revenue notes in August of 2004 with a final maturity of 1 year. The principal amount of the revenue notes at maturity is planned to be payable from a portion of the proceeds of University Facilities Revenue Bonds anticipated to be issued by the University prior to August 1, 2005 for construction of new residential housing facilities.

If revenue bonds for the new facilities are not issued by August 1, 2005, the University plans to:

- a. Issue refunding revenue notes with a maturity of one year or less to refund the then outstanding notes if the University anticipates issuing revenue bonds by August 1, 2006, or
- b. Issue refunding revenue bonds with an anticipated maturity of 25 years from the date of issuance of the bonds to permanently refund the then outstanding notes (as shown in Part II of the Feasibility Study), or
- c. Payoff the then outstanding notes with University funds lawfully available for such purpose.

10. Are specific revenues planned to support debt service or lease payments? (If so, you will need to complete Section 3.)

Yes (see Section 3).

Private Use

11. Will any person or entity other than the governmental unit provide (directly or indirectly) any part of debt service on the portion of the bonds issued for the project? For example, will a private foundation or federal agency be required (or expected) to make an annual contribution toward the payment of debt service.

Yes No. If yes, please identify the person or entity and the percent of debt service to be provided.

12. Do you anticipate that any person or entity other than the state institution/agency will have a contractual right, different from the rights available to the general public or students, to use any part of the project or to use or buy goods or services produced at the project? For instance, have you contracted parking spaces in a parking deck to a nearby corporate office?

Yes No. If yes, briefly summarize the planned contractual agreement.

13. Do you contemplate any part of the project being managed or operated by any person or entity other than the state institution/agency under a management or service contract, incentive payment or other "privatized" arrangement? Examples include contracts for food service, parking service, dormitory management, bookstore management, etc.

Yes No. If yes, summarize the anticipated contractual arrangement (i.e., contract term, renewal options, compensation arrangements, etc.).

Note: These arrangements may impact whether the project is eligible for tax-exempt financing. Once tax-exempt bonds have been issued, entering into this type of contract or arrangement may affect the bond's tax-exempt status and as a result, could have an adverse affect on the bondholders. **So long as the bonds are outstanding**, the terms of any such arrangement must be reviewed and approved by the State Treasurer prior to the execution of any contract.

Section 2 – Cost Information (complete for all projects)

14. Do you anticipate the need for capitalized interest on any bond financing (i.e., to pay interest during construction)? If so, explain.

No.

15. Itemize the capital costs of the project. Estimate the costs of issuance at 2% of the cost of the project. Please subtotal project costs net of the 2% cost of issuance and then show a gross cost of project including the cost of issuance. Note that the total cost should be used as the AMOUNT BORROWED field of the worksheet. Attach the CO-2 estimate or further estimate of project cost, if available.

Infrastructure	
A&E	260,000
Sitework/Utilities	2,990,000
Construction	
Equipment/Furnishings	
Contingencies and Other Costs	50,000
Subtotal	3,300,000

Residence Hall Renovations	
A&E	100,000
Land Acquisition	0
Sitework/Utilities	0
Construction	1,600,000
Equipment/Furnishings	
Contingencies and Other Costs	100,000
Subtotal	1,800,000

16. What is the anticipated useful life of the project?

50 Years

17. Discuss the need for a Reserve Fund to support the proposed project, any anticipated uses of the reserve during the life of the bonds, and the plan for replenishment of the reserve. The Reserve Fund Limit in the spreadsheet should be approximately 10% of the project cost.

A debt service reserve fund should not be required for the Infrastructure revenue bonds or University Facilities revenue notes. If in one year the University refunds the revenue notes with 25-year revenue bonds, a fully-funded reserve equal to the maximum annual debt service on the revenue bonds will be required.

18. List and describe any initial Non-Recurring Costs related to the project and the source of funding for each of these items.

Costs of issuing revenue bonds and notes generally include underwriter's discount, private placement fees (if any), bond counsel fees, underwriter's counsel fees, rating agency fees (if any), printing, trustee fees and other costs associated with the issuance of revenue bonds and revenue notes.

Estimated Costs of Issuance of the Infrastructure revenue bonds:

\$130,000

Estimated Costs of Issuance of the University facilities revenue notes:
\$ 45,000 if privately placed by the Underwriter (Placement Agent) on behalf of the University, or \$65,000 if marketed through public offering.

19. List and estimate the Incremental Annual Operating Expenses. Provide any supporting documentation and illustrate how your estimate was made. These expenses include personnel costs, utilities, contractual services, supplies and materials, indirect costs, equipment, etc.

	Infrastructure Annual Operating Expenses
Personal Services	\$2,000
Supplies and Materials	\$1,000
Utilities	
Equipment and Repair	\$10,000
Total Expenses	\$13,000

Section 3 Revenue Information. (Complete for all revenue-producing projects)

20. Describe the Revenue Sources that will be used for payment of debt service and the expenses associated with these revenues. Consider what other expenses are planned to be supported by the revenues, and how much revenue will actually be available for debt service.

Infrastructure: All students enrolled in a baccalaureate program will be charged a mandatory fee of \$48 per student per semester. Shepherd Community and Technical College students will not be required to pay the fee. The fee has been approved by the Shepherd University Board of Governors, and will be in effect for the fall semester of 2004. The revenues from this fee will be used to pay the debt service on the Infrastructure revenue bonds.

University Facilities: The University Facilities revenue notes will be secured by the pledged revenues of all residence halls facilities and food service facilities of the University. The University plans to pay the interest on the revenue notes from the pledged revenues. The University plans to pay the outstanding principal of the revenue notes at maturity from a portion of the proceeds of University Facilities Revenue Bonds anticipated to be issued by the University prior to August 1, 2005 for construction of new residential housing facilities. If revenue bonds for the new facilities are not issued by August 1, 2005, the University plans to:

- a. Issue refunding revenue notes with a maturity of one year or less to refund the then outstanding notes if the University anticipates issuing revenue bonds by August 1, 2006, or
- b. Issue refunding revenue bonds with an anticipated maturity of 25 years from the date of issuance of the bonds to permanently refund the then outstanding notes, or
- c. Payoff the then outstanding notes with University funds lawfully available for such purpose.

21. **If revenues will be derived from a group of similar facilities (a system) and an increase in system revenues will be used to support the debt, provide justification for any system contribution and any marginal increase in system-wide fees.**

University Facilities: The rental fee will be charged to all students in the residence halls. Current funding of the renovations will allow for increased funding in the future for renovations to other buildings from the existing repairs and alterations budget within the residence hall fund.

22. **If revenues will be derived from just one facility of several similar facilities in a campus system, show all fees for all similar facilities and justify any differential in pricing between the facilities.**

Not Applicable

23. **Will project revenues or revenues pledged to the payment of debt service be available prior to completion of the project? Describe the timing of revenues and when they will be available and sufficient to begin servicing the debt.**

The revenues from the mandatory student fee and proposed residence hall rental fees will become available during the Fall 2004 semester and will be available for payments on the Infrastructure revenue bonds and University Facilities revenue notes.

24. **What studies have been completed to demonstrate the demand for the facility and the reliability of the revenue stream? (Attach copies if available.)**

N/A

25. **If any portion of the revenues are already pledged or otherwise committed to other debt service payments, provide a schedule of debt service payments (by issue) and cumulatively. Clearly identify the portion of the revenue source that is committed or being used to pay debt service.**

N/A

26. **If any revenues are projected to increase, explain how the projections were calculated. Do not use an automatic growth rate.**

Infrastructure: Based on historical enrolment trends and growth in the surrounding areas, the University has projected student enrolment to increase 1.5% annually. The revenues generated from student fees are based on student enrolment. As student enrolment increases over the life of the Infrastructure revenue bonds, the additional generated fees would result in increasing debt service coverage.

27. **If institutional reserves are to be used to service the debt, include the source of funds, balances for the last five years, and impact on future balances. Identify the authorization for using these funds to pay debt service and other costs.**

Not Applicable

28. **If any amounts currently used for debt service are expected to be available and used for debt service on this project (i.e., the existing debt will be retired), provide the name(s) of the existing project(s), the bond series, and the annual amount to be available. Address the status of the existing facility's physical condition and plans for repair or maintenance. Conversely, explain why any such amounts scheduled to be available are not planned for use for debt service on this project.**

Not Applicable

Section 4 General Financial Condition - Complete this section for all projects

29. Provide the following revenue/funding information.

	Last 5 years				
	2002-03	2001-02	2000-01	1999-00	1998-99
Tuition & Fees	9,922,447	8,916,874	10,111,158	10,275,283	8,989,243
State Appropriations	12,206,156	13,096,703	11,690,909	10,565,611	10,663,518
Gifts, Grants and Contracts	5,497,347	4,781,990	12,656,602	11,598,983	9,943,825
Auxiliary operations	8,505,604	7,816,621	7,643,499	7,069,392	6,719,599
Endowment income	0	0	0	0	0
Other sources	1,250,649	1,303,512	1,142,548	983,515	740,334
Total revenues	37,382,203	35,915,700	43,244,716	40,492,784	37,056,519

Shepherd Community and Technical College	
	FY 2002-03
Tuition and Fees	\$ 1,117,435
State Appropriations	2,265,345
Gifts, Grants and Contracts	1,104,869
Auxiliary operations	
Endowment income	
Other sources	129,193
Total revenues	4,616,842

30. Provide the following FTE enrollment and admissions information

Enrollment	Last 5 years				
	2002-03	2001-02	2000-01	1999-2000	1998-99
Undergraduate	3605	3417	3372	3377	3089
Graduate & 1st Prof.					
Total	3605	3417	3372	3377	3089
On-Campus	3165	3302	3248	3256	2993
Off-Campus	440	115	124	121	97
		0	0	0	0
Admissions					
Applications Received	2586	2458	2442	2538	2315
Applications Accepted	2082	2118	2065	2157	1967
Students Enrolled	1213	1237	1220	1199	1113
Acceptance Rate	80.51%	86.17%	84.56%	84.99%	84.97%
Matriculation Rate	58.26%	58.40%	59.08%	55.59%	56.58%

Shepherd Community and Technical College	
Enrollment Fall 2003	
Full time	414
Part time	1090
Total	1504
FTE	700

31. Provide the following tuition and fee information.

	2003-04	2002-03	2001-02	2000-2001	1999-2000
Tuition and Fees Resident	3270	2658	2508	2430	2298
Tuition and Fees Non-Resident	8030	6294	5938	5754	5518
Total Scholarship & Fellowship Expense (tuition discount)					
Average Room and Board	5162	4368	4244	4112	3984

32. Operating Revenue Sufficiency – Using the format below, forecast the net operating revenue sufficiency for the project. Net current fund revenues must be projected to exceed maximum annual debt service by 10%.

Infrastructure Revenue Bonds: Debt service coverage increases annually from the stated percentage below based on 1.5% annual growth in student enrolment.

	Fiscal Year 2005 25 Years	Fiscal Year 2005 30 Years
Net Current Fund Revenues (Current fund revenues minus expenditures and mandatory transfers)	\$276,728	\$276,728
Maximum Projected Annual Debt Service	\$260,717	\$243,877
Percentage Coverage	106%	113%

University Facilities Revenue Notes:

	Fiscal Year 2005 1-Year Note*	Fiscal Year 2006 25 Years**
Net Current Fund Revenues (Current fund revenues minus expenditures and mandatory transfers)	\$2,326,072	473,141
Maximum Projected Annual Debt Service	\$1,915,800	141,380
Percentage Coverage	121%	335%

* The University intends to pay the interest on the revenue notes from net revenues available from the residential housing and food service system. As described in Questions 9 and 20, the principal amount of the revenue notes (approximately \$1,860,000) at maturity is planned to be payable from a portion of the proceeds of University Facilities Revenue Bonds anticipated to be issued by the University by August 1, 2005, for new residential housing facilities.

** If revenue bonds for the new facilities are not issued by August 1, 2005 or refunding revenue notes are not issued, the University anticipates issuing refunding revenue bonds with an anticipated maturity of 25 years from the date of issuance of the bonds to permanently refund the then outstanding notes.

33. Maximum Debt Service as a Percent of Operating Expenses - Using the format below, compute the agency's maximum estimated annual debt service payments compared to unrestricted current fund expenditures.

Debt Service Ratio	FY2003	
Total unrestricted current fund expenditures		\$36,582,858
Mandatory Transfers		\$1,180,557
Subtotal (a)		\$37,763,415
Maximum Annual Debt Service (current)		\$1,356,498
Maximum Annual Debt Service (new project(s))*		\$2,176,517

Maximum Capital Lease Payments (current)			
Maximum Capital Lease Payments (new project(s))			
Subtotal (b)			\$3,533,015
Maximum Debt Service Ratio (b/a)			9.4% or 0.094*

* Includes estimated principal and interest for 25-Year Infrastructure Revenue Bonds and 1-Year Revenue Notes.

Section 5 Capital Lease Projects – Complete Items 34 through 37 only if the financing involves a capital lease.

34. Discuss the alternatives that were considered before deciding that the capital lease structure was the best option.

35. Who is the Lessor? Who is the Lessee?

36. Who will manage the facility during and after construction?

37. Who will be issuing bonds or otherwise financing the project? Will it be tax-exempt debt?