

A RESOLUTION AUTHORIZING THE ISSUANCE OF DEBT AND REQUESTING THE FLORIDA BOARD OF GOVERNORS TO APPROVE THE ISSUANCE OF SUCH DEBT TO FINANCE THE CONSTRUCTION OF CERTAIN STUDENT HOUSING FACILITIES ON THE CAMPUS OF FLORIDA ATLANTIC UNIVERSITY, PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF FLORIDA ATLANTIC UNIVERSITY:

Section 1. The Board of Trustees of Florida Atlantic University (the "Board of Trustees") as the governing body of Florida Atlantic University (the "University") hereby authorizes the issuance of debt by The FAU Finance Corporation (the "DSO") and requests the Florida Board of Governors (the "Board of Governors") to approve the issuance of debt in an amount not to exceed \$140,000,000 (the "Debt") for the purpose of financing the construction of certain student housing and related facilities (the "Project") to be located on the Boca Raton campus of the University.

Section 2. The Project will consist of the construction of a 1,218-bed student housing facility comprised of two buildings located on the campus of Florida Atlantic University (the "University") in Boca Raton, Florida. The seven-story Building I will contain 148 apartments in a four bedroom/two bath configuration along with 7 one bedroom/one bath RA units and 2 three bedroom/two bath manager apartments. The eight-story Building II will contain 90 apartments in a four bedroom/two bath configuration and 120 apartments in a two bedroom/two bath configuration. In addition, Building II will house 7 one bedroom/one bath RA units and 2 three bedroom/two bath manager apartments. Both buildings have an approximate square footage of 504,000 square feet including the common area. The Project is reflected on the approved master plan for the University and is consistent with the mission of the University because it will provide needed student housing facilities. Construction of the Project is expected to begin in February of 2010 and to be completed by August of 2011. Proceeds of the Debt are anticipated to be sufficient to complete the construction of the Project without the use of additional funds. Legislative approval of the Project has been obtained pursuant to section 1010.62 (7)(a), Florida Statutes. No proceeds of the Debt will be used to finance operating expenses of the University or the DSO.

Section 3. The Debt is to be secured by a lien on the net revenues of the Project and surplus operating revenues of the existing student housing facilities located on the Boca Raton campus to be leased by the University to the DSO subject to the University's prior claim on such revenues to pay its obligations on its outstanding

housing revenue bonds. The University is legally authorized to secure the Debt with the revenues to be pledged pursuant to section 1010.62, Florida Statutes.

Section 4. The Debt will mature not more than 30 fiscal years after issuance, including any extensions or renewals thereof. The Project has an estimated useful life of 40 years, which is beyond the anticipated final maturity of the Debt. The Debt will bear interest at a fixed interest rate.

Section 5. The Debt which consists of Student Housing Revenue Bonds (the "Bonds") to be issued by the DSO will be sold through negotiated sale. A negotiated sale is necessary due to the complexity of the proposed financing, which includes the structuring of two series of subordinate bonds that shall be sold through private placements. Additionally, the University wishes to have additional flexibility in the structuring of cost effective financing alternatives, which may include the issuance of taxable Build America Bonds. The underwriter was selected as part of a competition process in summer 2008. An analysis showing that a negotiated sale is desirable is attached in Appendix A.

Section 6. A portion of the Bonds may be issued as Build America Bonds thus bearing a taxable interest rate. The issuance of the Build America Bonds on a taxable basis is in the best interest of the University because the DSO will receive a 35% subsidy from the United States Treasury offsetting the interest cost of the Bonds.

Section 7. The Board of Trustees will comply, and will require the University and the DSO to comply, with all requirements of federal and state law relating to the Debt, including, but not limited to, laws relating to maintaining the exemption from taxation of interest payments on the Bonds issued as tax exempt obligations, laws relating to maintaining the qualification for the Build America Bond subsidy payments and continuing secondary market disclosure of information regarding the Bonds

Section 8. The President and Senior Vice President for Finance & Administration of the University and the Chair of the DSO and other authorized representatives of the University, and the Board of Trustees, and the DSO are hereby authorized to take all actions and steps, to execute all instruments, documents, and contracts, and to take all other actions as they may deem necessary or desirable, in connection with the execution, sale and delivery of the Debt.

Section 9. In making the determination to finance the Project, the Board of Trustees has reviewed the information attached to Appendix A and finds that the issuance of the Debt is in compliance with the Debt Management Guidelines, the university's debt management policy, and applicable law.

Section 10. This Resolution shall take effect immediately upon its adoption.

Adopted this _____ day of ____, 2009.

Appendix A

The following documents have been reviewed by the Board of Trustees prior to the execution of this Resolution:

- a. the project program, feasibility study, or consultant report;
- b. a draw schedule for the project;
- c. sources and uses of funds for the project;
- d. an estimated debt service schedule;
- e. a description of the security supporting repayment and the lien position the debt will have on that security;
- f. a five year history, if available, and a five year projection, of the pledged revenues and the debt service coverage; and
- g. any negotiated sale analysis.



Florida Atlantic University

Student Housing Market Study

Draft Report

July 2009



BRAILSFORD & DUNLAVEY

Facility Planners • Program Managers

Catalysts for Building Community

Tab 1

Executive Summary

INTRODUCTION

In May of 2009, Brailsford & Dunlavey was retained by Florida Atlantic University to conduct a Student Housing Market Study. FAU is planning Innovation Village, a mixed-use on-campus project including student apartment-style housing, retail space, and athletic and event venues. The objective of the Innovation Village project is to enhance the residential campus environment on the Boca Raton Campus by offering housing to upper division students. B&D's primary tasks were to confirm that there will be sufficient demand for Innovation Village student housing and that the proposed rental rates will be acceptable to future residents. The new apartment-style housing would be in addition to the existing 2,500 freshman and sophomore on-campus beds, which were 98% occupied in the fall of 2008.

WORK PLAN

B&D's work plan included the following analyses:

- **Focus group interviews** were conducted in June 2009 with 16 FAU students to gain qualitative information regarding student housing preferences and gauge demand for additional on-campus housing (Section 2);
- An **off-campus housing analysis** was completed to better understand the nature and character of off-campus rental options for FAU students (Section 3);
- An **electronic survey** was completed by 2,269 FAU students to analyze student housing preferences and test demand for the proposed Innovation Village apartment units (Section 4); and
- A **demand model** was developed to project demand for the Innovation Village units by bed type based on data collected during the electronic survey (Section 5).

SUMMARY OF FINDINGS

Student Focus Groups

FAU students are generally satisfied with the on-campus residential facilities and agreed that FAU student housing is better than what is offered at other regional institutions and off campus in the nearby apartment communities. Participants referenced the growing interest in living on campus among new and returning students and felt new housing is a positive strategy for the University to enhance student life. Students desired more on-campus living options and felt residential life was focused on the development of freshmen and sophomores with few options for juniors, seniors, and graduate students. Students described the difficulty finding quality off-campus apartments to rent in the Boca Raton community. Due to the fact that many off-campus apartments are too expensive or in poor condition, many students either live further away from campus or live with parents or relatives. Typically, college students have a higher

EXECUTIVE SUMMARY

propensity to live on campus freshmen and sophomore years in college. However, many FAU students live at home for the first year(s) in college and then are interested in on-campus living for junior and senior year. In the future, students felt that more apartment-style residential options are needed to accommodate juniors, seniors, and graduate students.

Off-Campus Housing Market Analysis

The off-campus rental properties available to FAU students offer a variety of units ranging in size from studio to three-bedroom apartment units. Of the 24 properties included in B&D's analysis, the average distance from the Boca Campus was six miles. Properties ranged in cost and amenities; however, there was only one student-focused property, Addison Park. With comparable rates to the proposed four-bedroom Innovation Village unit, Addison Park also offers student-friendly amenities such as individual leases, roommate matching, in-unit laundry, furnished units, computer lab, pool, fitness, and parking. All of the surveyed properties require students to pay separately for utilities, with the exception of Addison Park which include the majority of utilities in the rental rate.

Chart 1.1 below shows the rental rates for off-campus three-bedroom units compared to the proposed four-bedroom Innovation Village unit (there were no four-bedroom units in B&D's off-campus property sample). Innovation Village four-bedroom units represent a 29% premium compared to the average cost for an off-campus three-bedroom unit; however, Innovation Village is 23% below the most expensive off-campus property, Villa Oceana. In addition, Innovation Village represents a 10% premium over the average Addison Park rate; however, the Addison Park rate range (\$709-790/mo./person) partially overlaps the proposed Innovation Village rate range (\$780-875/mo./person).

Chart 1.1: Off-Campus 3-Bedroom Unit Monthly Rate Comparison

	<u>Private Bedroom</u>
Average Off-Campus Rate ²	\$639
Proposed On-campus Apartment Rate	\$828
<i>Difference</i> ¹	<i>(\$188)</i>
Maximum Rate ²	\$1,139
Proposed On-campus Apartment Rate	\$875
<i>Difference</i>	<i>\$264</i>
Student Friendly Property Rate	\$750
Proposed On-campus Apartment Rate	\$828
<i>Difference</i> ¹	<i>(\$78)</i>

(1) Numbers within parenthesis represent the savings students would receive by living in off-campus rental properties.

(2) Average and maximum off-campus rental rates include \$100 / mo. / person for utilities based on survey responses.



Student Survey

B&D developed a student survey that was distributed via e-mail to all FAU degree-seeking students at Boca Campus and Honors Students at the Jupiter Campus (because the Honors program may move to the Boca Campus). Forty-three percent (43%) of students selected the availability of on-campus housing as “very important” or “important” in their decision to attend FAU and 78% rated FAU's student housing “very satisfactory” or “satisfactory” compared to housing at other universities. However, 67% of survey respondents plan to live off campus next year for reasons including cost, availability of a kitchen, and more living space.

The top five physical features in new housing selected by students were the following: private bedroom, in-room wireless Internet, private bathroom, kitchen, and on-site parking. Students selected the following top five personal preferences related to housing policies: flexible payment terms, little or no meal plan requirement, ability to choose own FAU roommates, ability to retain the same living unit from year-to-year, and flexible occupancy terms. In addition, nearly three-quarters (72%) of respondents were interested in an in-unit washer and dryer for approximately \$20 more per month.

Demand Analyses

B&D developed a student housing demand model to project the specific quantity of demand for the proposed unit types tested in the FAU student survey. The model projects demand under the assumption that future housing would be designed to match the characteristics of the units presented to respondents in the survey, including the proposed rental rates. Housing demand for the proposed units is based on the following target market to represent a realistic demand capture: full-time junior, senior and graduate students at the Boca Campus; single students less than 30 years of age; non-homeowners; including students living with parents or relatives; renters but excluding students currently paying less than \$500 / month (who selected Unit A - four-bedroom unit) and students currently paying less than \$600 / month (who selected Unit B – two-bedroom unit).

Chart 1.2 shows baseline demand projections for 1,380 apartment-style beds at Innovation Village based on FAU’s 2011 enrollment projections and the aforementioned target market filters.

Chart 1.2: Demand Scenario A (baseline)

Class	Enrollment Projection	Potential Capture Rate	Maximum Potential Demand	Innovation Village Demand	
				Four-Bedroom Apartment - Single	Two-Bedroom Apartment - Single
Junior Year	4,925	5.7%	280	130	150
Senior Year	10,022	8.2%	825	342	483
Graduate Year(s)	5,503	5.0%	274	114	161
Total	20,450	6.7%	1,380	586	794

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B&D also developed a scenario with only four-bedroom units. In this scenario, the demand model used the respondent's second choice preference for those who selected the two-bedroom unit in the first unit selection question. This scenario projects demand if the two-bedroom units were not included in the project. Chart 1.3 demonstrates demand for 879 four-bedroom apartment-style beds.

Chart 1.3: Demand Scenario B (excluding two-bedroom units)

Class	Enrollment Projection	Potential Capture Rate	Maximum Potential Demand	Innovation Village Demand	
				Four-Bedroom Apartment - Single	Two-Bedroom Apartment - Single
Junior Year	4,925	3.6%	177	177	0
Senior Year	10,022	5.5%	550	550	0
Graduate Year(s)	5,503	2.6%	146	146	0
Total	20,450	4.3%	872	872	0

CONCLUSIONS

B&D's analysis demonstrates that there is demand for nearly 1,400 four- and two-bedroom apartment-style beds at the Innovation Village: 586 four-bedroom apartment-style beds and 794 two-bedroom apartment-style beds. If only four-bedroom units are built in the project, demand is reduced to approximately 880 beds. FAU students clearly value the convenience of living on campus with a strong preference for the proposed Innovation Village units at the proposed rental rates. In addition, the amenities planned for the Innovation Village project are in-line with the top amenities identified by FAU students. Private bedroom, wireless Internet, private bathroom, kitchen, parking, and in-unit laundry are all important to FAU students.



Tab 2

Focus Group Report

OBJECTIVES

The purpose of the focus groups was to engage Florida Atlantic University (“FAU” or the “University”) students in a dynamic conversation about their opinions, observations, and recommendations regarding possible improvements and additions to the University’s housing program. Focus groups are intended to yield qualitative data, reveal hidden sensitivities, and provide additional context in the development of survey questions.

METHODOLOGY

B&D conducted two focus groups at the FAU Housing and Residential Life Office on June 3-4, 2009. Focus groups were designed to engage students in a dialogue about residential programming, University housing preferences, and off-campus housing opportunities in the Boca Raton and Tri-County area. Students provided useful feedback and were very engaged in the subject matter, demonstrating their vested interests in enhancing residential opportunities on campus.

Each focus group was led by a moderator from Brailsford & Dunlavey (“B&D”) whose purpose was to guide the conversation to address issues pertaining to housing facilities. The moderator introduced a series of questions, intentionally open-ended in nature, and allowed students to discuss tangential issues that further engaged participants in a dynamic conversation.

The following report is an overview of the findings of the focus groups and contains a summary of the discussions, specific points raised, and direct quotations. The responses included are intended to illustrate the range of answers, comments, and concerns voiced by students during the focus groups.

PARTICIPANTS

Student Focus Group #1

- Included 7 undergraduate and graduate students
- 4 women and 3 men
- 1 junior, 5 seniors, and 1 graduate student

Student Focus Group #2

- Included 9 undergraduate students
- 7 women and 2 men
- 6 sophomores, 1 junior, and 2 seniors

FOCUS GROUP SUMMARY

SUMMARY OF FINDINGS

Students are generally satisfied with the on-campus residential facilities and overwhelmingly agree that FAU residence halls far surpass residential options at other regional institutions and off campus in nearby apartment communities. Participants spoke of the growing interest in living on campus among new and returning students and felt additional housing is a positive strategy for the University to enhance the student life experience.

Students chose to attend FAU for a variety of reasons ranging from specific academic programs to affordability. However, the campus' proximity to students' homes and the overall positive culture were consistent themes among all focus group participants. Students noted that FAU is traditionally known as a commuter school where campus life is not the dominant draw. However, rising gas prices and long commute times have prompted many students to consider on-campus housing options. While students enjoyed living on campus and felt that the freshman residential requirement is a positive experience, they would also like to maintain the balance of off-campus life and participation in quality on-campus residential programs.

Overall, students were satisfied with the quality of the existing housing facilities. Students enjoyed living in new facilities and felt that suites and apartments met their needs and on-campus preferences. While many students preferred single rooms, they felt that the more affordable on-campus shared room far exceeded the benefits of a private bedroom in a more expensive off-campus rental unit.

The shortcomings of on-campus housing were focused primarily on the students' strong desire to build community and establish a network of peers. The size and layout of the Heritage Park, Towers, Indian River Towers, and Glades Park Towers make adapting to campus life a challenge for some. The long corridors and the dearth of study rooms and lounges make it difficult for students to meet other students outside of their suitemates.

Algonquin Residence Hall and the Living Learning Communities (LLC) were two exceptions to this belief. The smaller size of Algonquin and the layout has helped to build a strong community and support system among students who live there, which outweighs students' desire to live in a newer residence hall. Students also felt that while the LLCs helped some first-year students meet new friends, the LLCs are too small in quantity and size to strategically address these issues.

Students see residential life mostly focused on the development of freshmen and sophomores. Students were satisfied with the addition of new residence halls, but felt that the suite-style facilities cater more to the developmental needs of newer and younger students. While students are satisfied with the freshman on-campus living requirement, they believed that the low number of apartments and the lottery process limit access to on-campus housing for juniors, seniors, and graduate students. Students simply wanted more on-campus living options.



FOCUS GROUP SUMMARY

Students described the difficulty in finding quality off-campus apartments to rent in the Boca Raton community. Typically, students move off campus after two years of college to have more space, greater freedom, more furniture, and more privacy. Besides the lack of availability in the Boca Raton community, many off-campus apartments are too expensive and in poor condition. Therefore, most students who live off campus must either live further away from FAU's campus or live with family or relatives.

In the future, students felt that more apartment-style residence halls are needed to accommodate juniors and seniors. Most students do not mind sharing a bedroom, as long as no more than four students share the space, but only a few students said they would pay extra for a single room. Students would like to see more common areas, convenience stores, ATM's, bathrooms, and security cameras in or near all residence halls.

Finally, students had no specific preferences regarding housing locations. Students enjoy the convenience the new residence halls offer in accessing other campus services, academic classes, and their peers. If new housing were built in another area on campus, students recommended additional dining options nearby, shuttle service, and dedicated parking for residents.

FOCUS GROUP SUMMARY

DETAILED FINDINGS

1. Why did you choose FAU?

Students were attracted by the ability to stay close to home while attending a school that had good academic programs, an appealing physical environment, and a desirable campus culture. Other key differentiators mentioned included:

- Science programs
- Football program
- Orientation program
- Freshman community
- Affordability

2. How does the reputation of FAU compare to other schools you looked at?

FAU is known as a commuter campus and traditionally a school that serves as a back-up if students are not admitted to their top choice schools. However, students admit that this reputation is changing as more student life and housing options are offered on campus. While students enjoyed the growing on-campus culture and activity, they liked the fact that Boca Raton is not considered a “college-town” like Gainesville where they believed everything revolved around the University of Florida.

- FAU’s campus is comparable to many small private schools in Florida.
- The school is attractive to many students who like to be near the beach.
- Campus life at FAU is not dominant.
- After the presidential debate, student life has increased.
- Some academic programs are stronger than others. Recently many courses have been dropped and students have been forced to change majors.

3. How critical was housing to your selection process?

Although most students viewed FAU as a commuter school and assumed on-campus housing options were limited, many were surprised at the actual on-campus housing options. After orientation and visits to other colleges, FAU housing overwhelmingly stood out among competitive schools.

- Students did not select institutions where they would have to live in triple occupancy units.
- Students perceived the chances of getting a single occupancy room at FAU as a greater probability than at other institutions. This made FAU more desirable.
- Traffic is a growing issue among commuter students, especially since public transportation is limited in the tri-county area. Students see on-campus housing as a way to address these issues which detract from their overall college experience.



4. What is your perception of the residence halls?

High quality and affordable were the dominant characteristics described by students regarding the existing residence halls. While students believe that quality may not last as buildings get older, the newer buildings were a key selling point.

- Each residence hall has its own unique qualities
- The meal plans can make living in the residence halls costly. Students prefer to have the same option as students living in the apartments.
- It is difficult to meet people and socialize in Indian River Towers and the apartments.
- Algonquin has an extremely strong culture and community atmosphere.

5. What is your perception of the Living Learning Communities (LLCs)?

The LLCs are a way for students to get to know their peers. The current residence halls are large and the LLCs provide a smaller network of people with whom students can connect.

- Students believe that the LLCs could be enhanced if they had their own dedicated residence hall with more study and common rooms to interact.
- While students enjoyed being able to interact with a core group of students on a regular basis, they felt that having a break from the LLC was equally important.
- The LLCs have been extremely beneficial in helping first-year students' transition into college.

6. What is your perception of housing at other institutions?

Students viewed housing at other institutions as outdated and far less desirable than the options at FAU. Students felt that even though FAU had less diversity and quantity of options, the quality of on-campus housing at FAU far exceeded housing they toured at other campuses in the Florida state system.

- Students found that many institutions offered students, specifically freshmen and sophomores, triple occupancy units.
- FAU's housing stock was most comparable to housing at small private colleges rather than at large state institutions.

7. How long do students traditionally live on campus?

Students typically live on campus for two years. Given the diversity of students attending FAU and cultural differences, many parents prefer for students to either live on campus or at home. After the second year, students want their own space, more privacy, and the ability to choose their own roommates.

- Students, especially juniors and seniors, prefer to have their own bathroom.
- Most juniors and seniors prefer to live off campus.

FOCUS GROUP SUMMARY

8. How would you describe the off-campus housing market, including cost, amenities, location, and availability?

While there is a great deal of availability, there are few off-campus apartments that are of good quality. Most apartments do not include utilities in the monthly rate and amenities are often limited. Students perceive safety to be an issue in nearby rental communities given the run-down appearance of many of the buildings.

- Per students, a one-bedroom apartment off-campus typically costs an average of \$900. Two-bedroom units range from \$1,000- \$1,500.
- Due to the lack of off-campus rental properties, many students are buying houses to live in while in school and plan to rent them to other students after graduation.
- Many landlords and management companies are not student-friendly.
- Popular off-campus apartments for FAU students include: Winwood, the Bicycle Club, Meadows Park, and Casa del Rio.
- For students who were not selected in the FAU housing lottery, many were generally interested and attracted to the amenities and student-friendly options offered by the newest community, the Addison. Several students shared their willingness to pay more for a quality property that was near campus.

9. What types of amenities are you looking for in on-campus housing?

Students are looking for more apartment-style units that cater to the preferences of juniors and seniors. However, they still believe that community life is essential and common rooms, study rooms, lounges, and community spaces are important. Additionally, students would prefer for new residence halls to be proximate to other campus services and their classes. If located further away from the dining hall and food court, students strongly encouraged additional food service options or a convenience store to pick up groceries or other household items. Students also described the following as additional preferred amenities:

- Nearby parking designated for students living on campus.
- Single room and single bathroom option.
- Enclosed laundry room on each floor or a washer and dryer in each unit if apartment-style.
- Cable and Internet ready



Tab 3

Off-Campus Market Analysis

OBJECTIVES

The objective of the off-campus housing market analysis is to identify and compare the private rental housing market in Boca Raton and surrounding communities that is available to FAU students. Data was collected on properties in the local area that would most likely be populated with University students. The analysis focuses on cost, quality, and availability of private rental units near FAU's Boca Raton campus.

METHODOLOGY

In June 2009, B&D conducted tours, interviewed students, University administrators, and leasing agents, and searched property and rental clearinghouse websites to compare FAU's Innovation Village to local rental properties. Property characteristics such as rental rates, lease terms, and amenities were analyzed.

FINDINGS

The analysis shows a significant supply of private rental properties in the market near FAU's Boca Raton campus. The market includes a variety of property types including small garden-style apartment communities, high-end condominiums, large apartment communities, and townhouses. Housing is available in studio, one-bedroom, two-bedroom, and three-bedroom unit types, allowing students the option of living alone or with roommates in order to decrease overall housing costs. On average, most properties indicated occupancy of over 90% for the upcoming academic year (August 2009).

While students viewed some communities surrounding FAU's campus as unaffordable, the campus's proximity to the major interstates provides a variety of affordable rental options within a fifteen minute drive of campus. Among the local communities, the analysis included properties in Boca Raton, Margate, Delray Beach, and Deerfield Beach. While the quality and condition varied across all of the properties, most provided a pool, air conditioning, fitness center, in-unit washer and dryer, and pet option.

Most properties do not cater to the needs of students. Student-focused properties usually include features such as individual leases, roommate matching, utilities included in rent, convenient location to campus, furnished units, and computer labs. B&D's analysis included one property, Addison Park, which would qualify as a student-focused community. Addison Park is a new property which is being converted from condominiums to apartments specifically geared towards students. With units available for leasing starting in late summer 2009, Addison Park will serve as Innovation Village's primary competition in the near future.

Monthly rent for all properties ranges from \$725 to over \$2,000 (per unit) per month. B&D compared the off-campus rental rates per person to proposed Innovation Village rates. In

OFF-CAMPUS MARKET ANALYSIS

comparison to the average off-campus rental rates, students can expect to pay \$78-\$188 more to live in Innovation Village.

Off-Campus Rental Housing Market Overview

The analysis included 24 properties in four different communities near FAU's Boca Raton campus. The average distance to campus from the selected properties was six miles, which is within a 15-minute drive of campus (chart 2.1).

Chart 2.1: Location of Off-Campus Property Locations



Rental rates (assuming single-occupancy bedrooms), exclusive of utility charges, range from \$594 to \$1,145 per person per month. The least expensive unit type on a per-person basis (assuming single-occupancy bedrooms) was a three-bedroom apartment, which averaged \$539 per month. The most expensive unit type, on average, was a one-bedroom apartment, averaging \$1,001 per month, assuming single-occupancy of the entire unit (chart 2.2). Average unit sizes range from 481 square feet for studio to 1,389 square feet for a three-bedroom apartment (chart 2.3). The charts on the next page provide a summary of the average rental rates and unit sizes



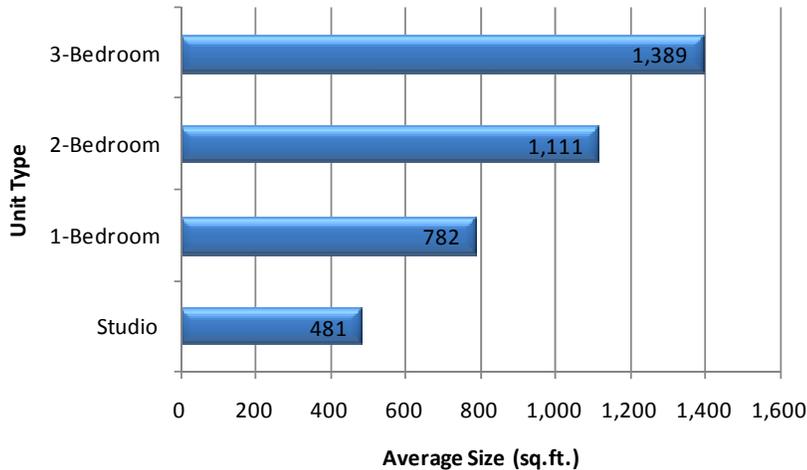
OFF-CAMPUS MARKET ANALYSIS

for off-campus properties by unit type. A detailed breakdown of the pricing information for all properties can be found in Exhibit A of this report.

Chart 2.2: Comparison of Rental Rates



Chart 2.3: Comparison of Unit Size



It is slightly cheaper to live off campus, in comparison to the proposed rental rates in Innovation Village. The average off-campus monthly rate for three-bedroom apartments is \$188 less than Innovation Village's four-bedroom proposed rate (there were no four-bedroom units in B&D's off-campus property sample). Innovation Village's rates are also slightly more expensive (\$78) than the student-focused property at Addison Park. Additionally, the proposed two-bedroom units are \$188 more than the average rate for two-bedroom units off campus (chart 2.4).

OFF-CAMPUS MARKET ANALYSIS

Chart 2.4: Comparison Two-Bedroom Unit Rates

Two - Bedroom Rental Units	
	<u>Private Bedroom</u>
Average Off-Campus Rate ²	\$717
Proposed On-campus Apartment Rate	\$905
<i>Difference</i> ¹	(\$188)
Maximum Rate ²	\$1,080
Proposed On-campus Apartment Rate	\$950
<i>Difference</i>	\$130

Chart 2.5: Comparison Three- and Four-Bedroom Unit Rates

Three and Four - Bedroom Rental Units	
	<u>Private Bedroom</u>
Average Off-Campus Rate ²	\$639
Proposed On-campus Apartment Rate	\$828
<i>Difference</i> ¹	(\$188)
Maximum Rate ²	\$1,139
Proposed On-campus Apartment Rate	\$875
<i>Difference</i>	\$264
Student Friendly Property Rate	\$750
Proposed On-campus Apartment Rate	\$828
<i>Difference</i> ¹	(\$78)

- (1) Numbers within parenthesis represent the savings students would receive by living in off-campus rental properties.
 (2) Average and maximum off-campus rental rates include \$100 / mo. / person for utilities based on survey responses.

With the exception of Addison Park, all properties have income stipulations and require a security deposit. Residents must show income of three times the amount of monthly rent in order to qualify or must have a co-signer. Security deposits range from \$99 to the amount of one month's rent. Each of the properties indicated that residents pay between \$40 and \$100 per month for utilities (gas, electric, water, sewer).

Basic amenities at all 24 properties included a pool and air conditioning. Additionally, over 90% of the properties included a washer and dryer in each unit, an on-site fitness center, and the option to have pets. Over 50% of the properties were also designed with controlled access and an on-site clubhouse or lounge for residents to rent and use at their convenience. The chart below provides a summary of other amenities offered at the properties included in this analysis (chart 2.6).



Chart 2.6: Comparison of Property Amenities

Property Name	Roommate Matching	W/D in unit	Internet	Computer Lab	Lounge / Clubhouse	Fitness Center	A/C	Cable	Pets	Reserved Parking	Pool	Gated Entry
Addison Park	x	x	x	x	x	x	x	x	x	x	x	x
Arbor Oaks Apartments		x	x	x	x	x	x		x	x	x	
Archstone Delray Beach		x	x			x	x		x	x	x	
Bella Vista Apartments at Boca Del Mar		x	x			x	x		x		x	
Blue Isle		x	x	x		x	x		x		x	
Boca Winds Apts.							x		x		x	
Camino Real		x	x	x	x	x	x		x	x	x	x
Emerald Bay Club		x			x	x	x				x	
Fountains at Delray Beach		x	x	x	x	x	x		x	x	x	x
Gables Boca Place		x	x			x	x		x		x	
Gables Town Colony		x	x				x		x		x	
Golden Palms							x		x		x	
Lakes at Deerfield Beach		x	x	x	x	x	x		x		x	x
Mizner Court		x		x	x	x	x		x	x	x	x
Palms of Boca del Mar		x	x		x	x	x		x		x	
Savannah Place		x	x		x	x	x		x		x	
Somerset Place		x	x			x	x		x		x	
The Enclave at Delray Beach		x			x	x	x		x	x	x	x
The Preserve at Deer Creek		x	x	x	x	x	x		x	x	x	x
Tuscany Pointe		x	x	x	x	x	x		x	x	x	x
Villa Oceana		x	x	x	x	x	x		x		x	x
Vinings at Delray Beach		x	x	x	x	x	x		x		x	x
Vinings II at Town Place		x			x	x	x		x		x	
Water's Edge		x	x		x	x	x		x		x	x
	1	22	18	11	16	21	24	1	23	9	24	12

Comparative Property

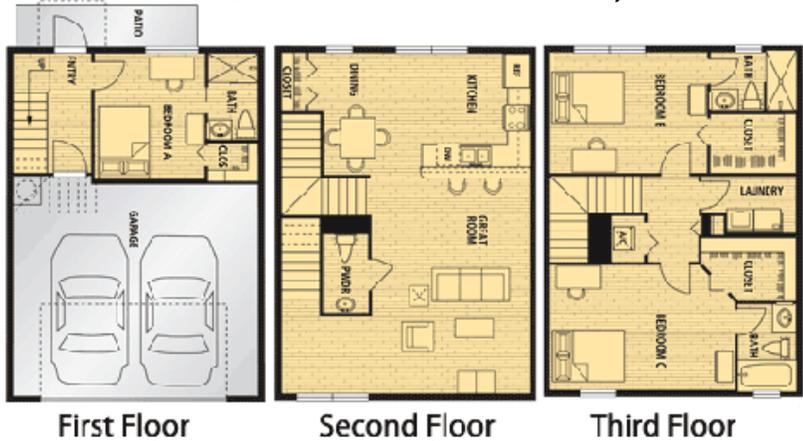
Addison Park, a new student-oriented property that is directly marketing to FAU’s student population, is located less than two miles directly east of FAU’s campus. Besides being a new property within close proximity to campus, Addison Park also offers roommate matching, individual leases, and furnished units. The leasing office indicated that the regular security deposit is \$450, but specials lowering the up-front cost were also being offered over the summer.

Addison Park only offers three-bedroom units that range in size from 1,663 square feet to 2,208 square feet and range in cost from \$709-\$790 per person per month. All units are townhouse-style and offer two car garages, patios, and three bathrooms (chart 2.7).

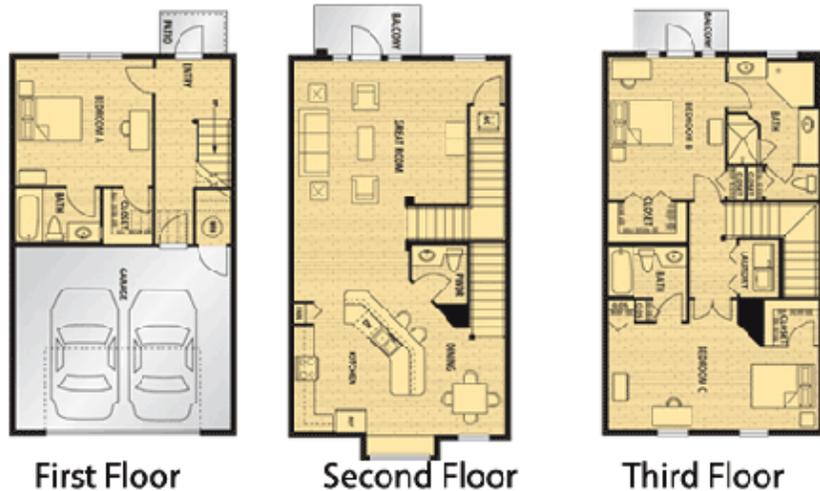
OFF-CAMPUS MARKET ANALYSIS

Chart 2.7: Addison Park Unit Floor Plans

Unit A: 3 Bedrooms / 3 Baths 1,663 sf



Unit B: 3 Bedrooms / 3 Baths 2,208 sf



The Addison Park community also offers a variety of amenities including a fitness center, clubhouse, computer center, controlled / gated access, in-unit washer and dryer, pool, and private bathrooms. The leasing office indicated as of June 2009, units were over 80% occupied for the 2009-2010 academic year.



SUMMARY

The off-campus rental housing market near FAU is robust and diverse. Students have access to apartments, condominiums, and townhouses of varying size and quality in studio, one-, two-, and three-bedroom configurations. Many properties close to campus are private condos or apartments that are either high-end and pricey, or low-end and offering few amenities. More affordable and/or better quality apartments can be found outside of the 1-2 mile radius of campus. All 24 properties analyzed included a pool and air conditioning and most properties also included a washer and dryer in the unit.

Students would save nearly \$200 by living in a two-bedroom off-campus apartment rather than living in the proposed two-bedroom units. The average rate for a two-bedroom off-campus unit is \$692 per person assuming a single occupancy bedroom and \$905 per person for the proposed Innovation Village two-bedroom unit. Three-bedroom units off-campus provide the same savings. The average off-campus rate of \$639 per person (single occupancy bedroom) is \$188 less than Innovation Village's proposed four-bedroom rate.

Innovation Village will face little direct competition from nearby rental properties, with the exception of Addison Park. Addison Park offers students similar amenities, the more desirable single occupancy units with private bathrooms at virtually the same price as Innovation Village. At \$709-\$790 per person, Addison Park offers a \$78 savings for three-bedroom units in comparison to a single bedroom in an Innovation Village four-bedroom unit.



Tab 4

Survey Analysis

OBJECTIVES

B&D conducted an electronic Internet survey testing FAU student housing preferences and demand for new student housing as part of the Innovation Village project. Data collected through the survey formed the basis for B&D's unit type and quantity projections included in Section 5 of this report (Demand Analysis).

METHODOLOGY

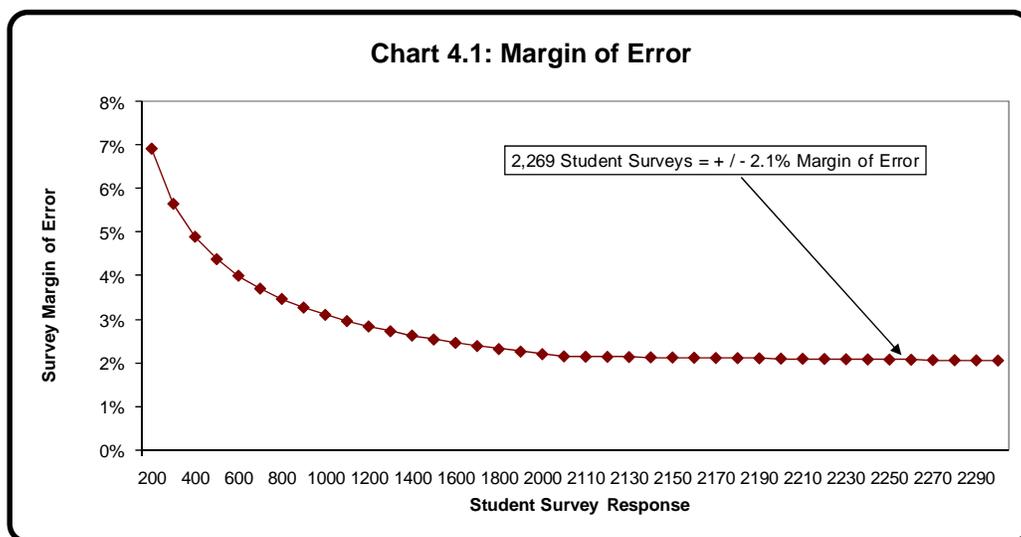
Survey questions were designed to assess housing preferences, housing selection criteria, unit-type preferences, and amenities. Response options were structured to identify the demand for specific unit types and desired amenities. Demographic questions allowed the responses to be sorted to identify unique user patterns in demand results.

All degree-seeking FAU students enrolled at the Boca Raton campus or in the Honors College at Jupiter Campus were notified of the survey by an e-mail from President Frank T. Brogan on June 12, 2009. Reminder announcements were sent to non-respondents on June 16, 2009. As an incentive for survey participation, FAU awarded several prizes including two \$50 Starbucks gift cards and two \$50 Barnes & Noble gift cards to randomly selected student respondents.

The survey results are provided in Exhibits B, C, and D of this report.

SURVEY DEMOGRAPHICS

A total of 2,269 surveys were completed by FAU students. Assuming the 2008-2009 enrollment of 27,091 students, the margin of error was +/- 2.1% at a 95% confidence level.



SURVEY ANALYSIS

The survey responses are consistent with the overall university student demographics. Female and full-time students were slightly over-represented and seniors were slightly under-represented. However, slight skewing of the survey sample is typical and acceptable due to the fact that no single group is grossly over- or under-represented. In addition, B&D's methodology for determining demand allows for the isolation of demographic sub-groups in order to determine their responses to any single question.

SUMMARY OF FINDINGS

Key Findings

One-fifth (21%) of survey respondents lived on campus during the most recent academic year. Forty-three percent (43%) felt the availability of on-campus housing was "very important" or "important" in their decision to attend FAU and 78% rated FAU's student housing "very satisfactory" or "satisfactory" compared to housing at other universities. The majority (67%) of survey respondents plan to live off campus next year. The top three reasons for considering off-campus living were cost, kitchen, and more living space.

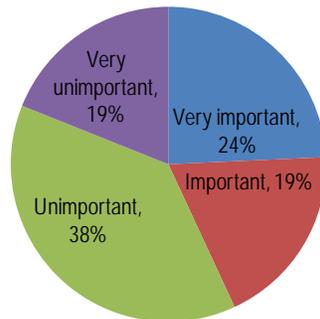
Of the two Innovation Village apartment units tested, nearly one-third (32%) of respondents selected the four-bedroom / two-bathroom unit and 31% selected the two-bedroom / two-bathroom unit. The top five physical features in new housing selected by students were the following: private bedroom, in-room wireless Internet, private bathroom, kitchen, and on-site parking. Students selected the following top five personal preferences: flexible payment terms, little or no meal plan requirement, ability to choose own FAU roommates, ability to retain the same living unit from year to year, and flexible occupancy terms. In addition, nearly three-quarters (72%) of respondents were interested in an in-unit washer and dryer for approximately \$20 more per month.



Current Housing

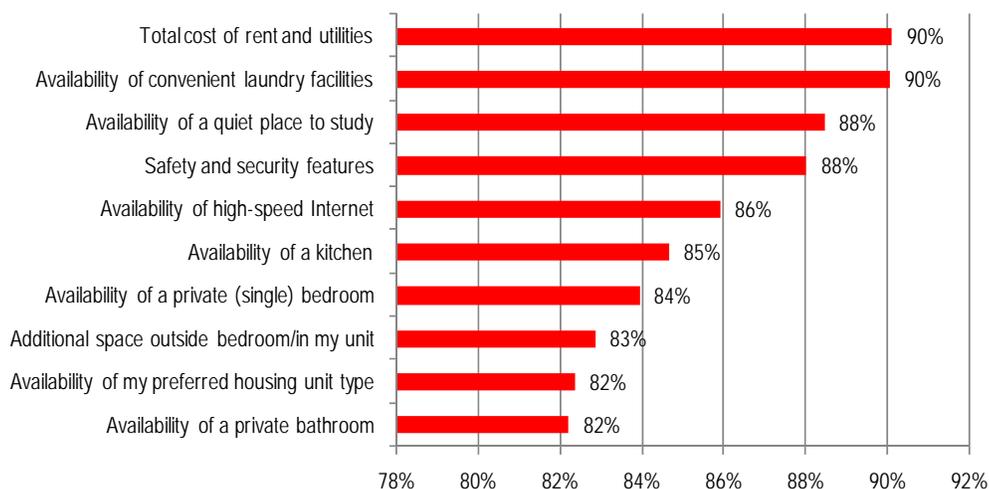
One-fifth (21%) of survey respondents lived on campus during the most recent academic year; however, nearly one-third had lived in FAU student housing in previous years. Forty-three percent (43%) of students selected the availability of on-campus housing as “very important” or “important” in their decision to attend FAU as shown by the chart below. In addition, 78% rated FAU's student housing “very satisfactory” or “satisfactory” compared to housing at other universities.

Chart 4.2: How important was the availability of on-campus housing in your decision to attend FAU?



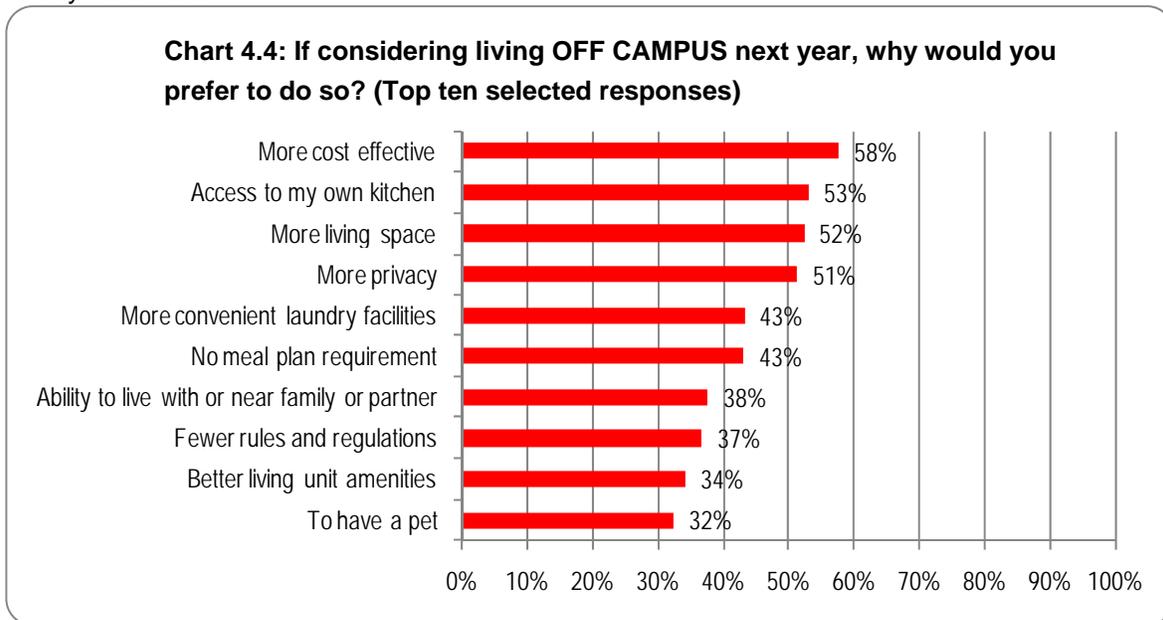
Survey respondents were asked to rate the importance of various housing factors in their decision on where to live. The following chart shows the top ten factors selected by respondents as either “very important” or “important.” Twenty-one total factors were tested. Cost, convenient laundry facilities, and a quiet place to study were the top three factors selected.

Chart 4.3: Please rate how important each of the following factors was in your decision on where to live this past year:



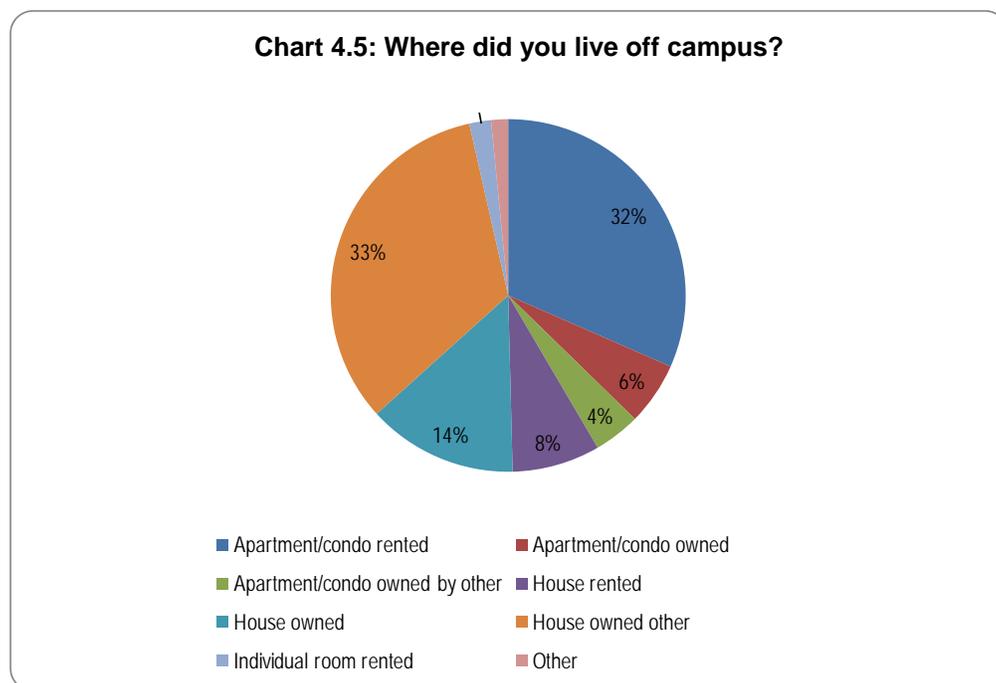
SURVEY ANALYSIS

The majority (67%) of survey respondents plan to live off campus next year. The top three reasons for considering off campus were more cost effective, access to my own kitchen, and more living space as shown by Chart 4.4.

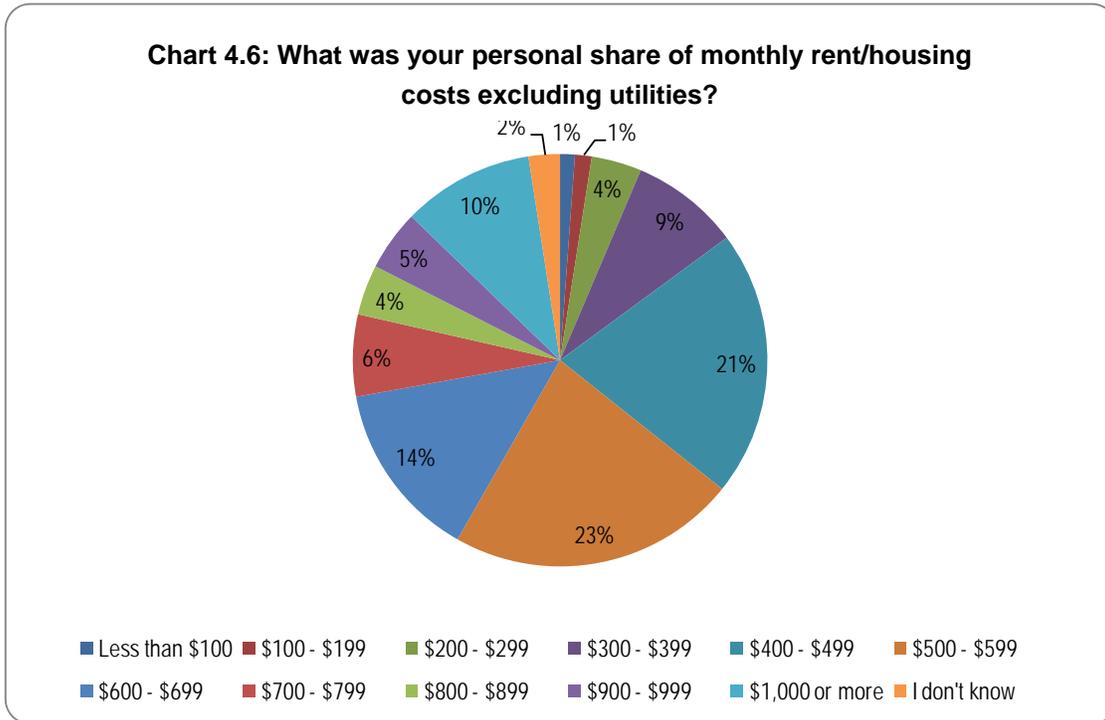


Off-campus Respondents

Over three-quarters (79%) of survey respondents lived off campus; however, only 41% were renters. Nearly one-fifth (19%) of off-campus students owned their own home and 39% lived in a home owned by a family member other than a spouse/partner or other accommodations (Chart 4.5).

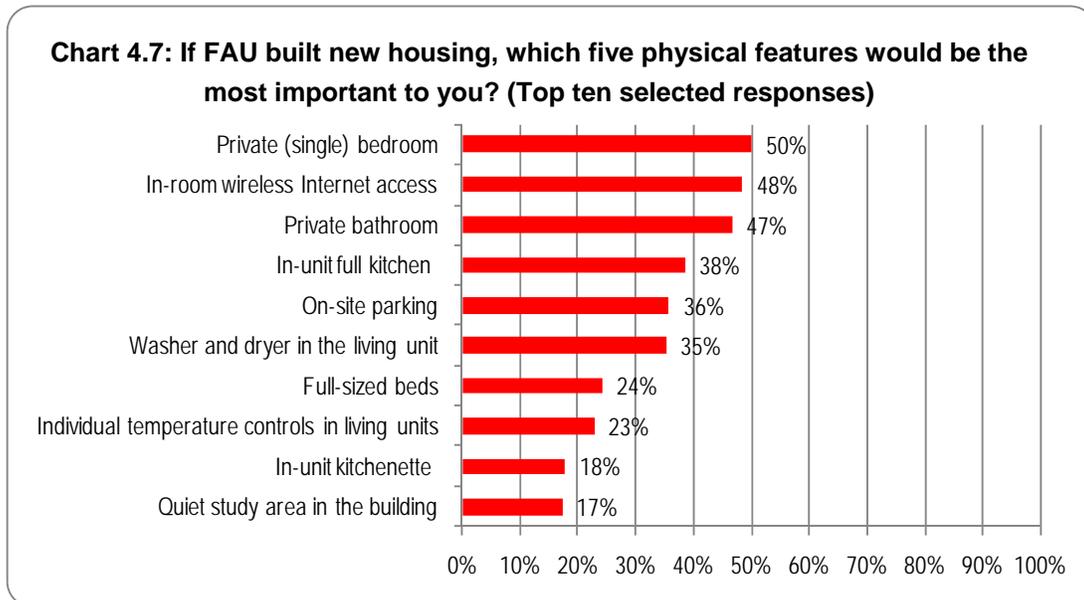


Monthly housing costs for off-campus renters are provided in chart 4.6. The median monthly rent is \$500-599 per person. Over half (60%) of renters pay more than \$100 per month per person for utilities.



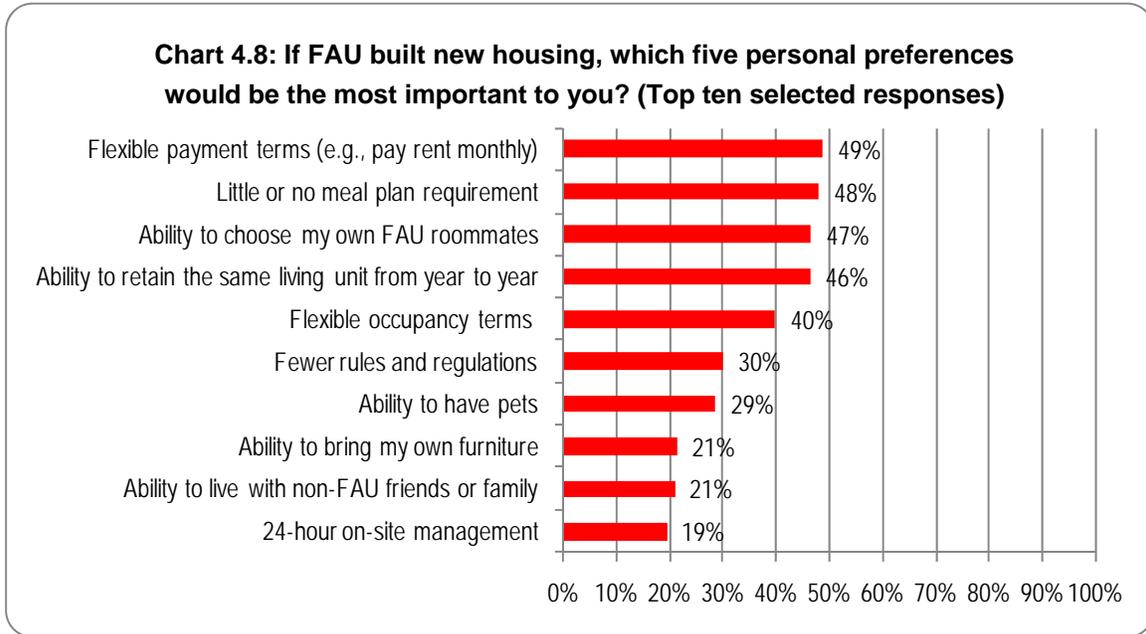
Housing Preferences (All Respondents)

When asked to identify their most important physical features in new housing, students selected the following top five amenities: private bedroom, in-room wireless Internet, private bathroom, kitchen, and on-site parking. Washer and dryer in the living unit ranked sixth among twenty-five features tested.

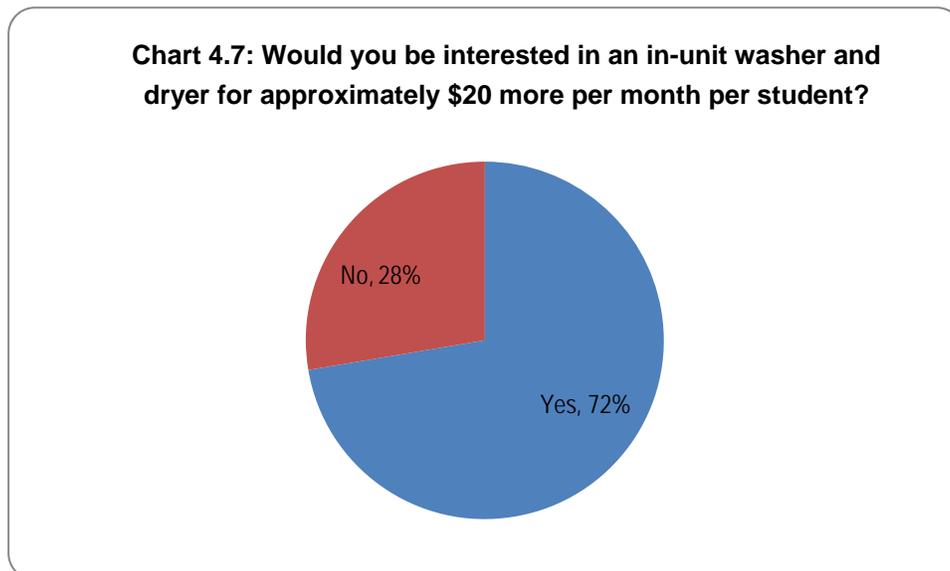


SURVEY ANALYSIS

Students were also asked to select their most important personal preferences related to housing policies. FAU students selected the following top five preferences: flexible payment terms, little or no meal plan requirement, ability to choose own FAU roommates, ability to retain the same living unit from year-to-year, and flexible occupancy terms.



In addition, nearly three-quarters (72%) of respondents were interested in an in-unit washer and dryer for approximately \$20 more per month.



Respondents were provided a map with the new housing location, renderings, floor plans, and descriptions of proposed unit types.



The following two Innovation Village unit types with approximate monthly rental rates were tested on the survey in addition to the option of living off campus:

Unit A: Four furnished single occupancy (private) bedrooms with a full kitchen, two bathrooms, and living room in the unit. A dining plan is optional for anyone living in this unit type.



Estimated Rent:
\$780-875/month/person;
\$3,900-4,375/semester/person

Unit B: Two furnished single occupancy (private) bedrooms with a full kitchen, two bathrooms, and living room in the unit. A dining plan is optional for anyone living in this unit type.

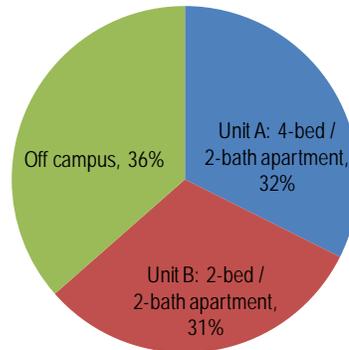


Estimated Rent:
\$860-950/month/person;
\$4,300-4,750/semester/person

SURVEY ANALYSIS

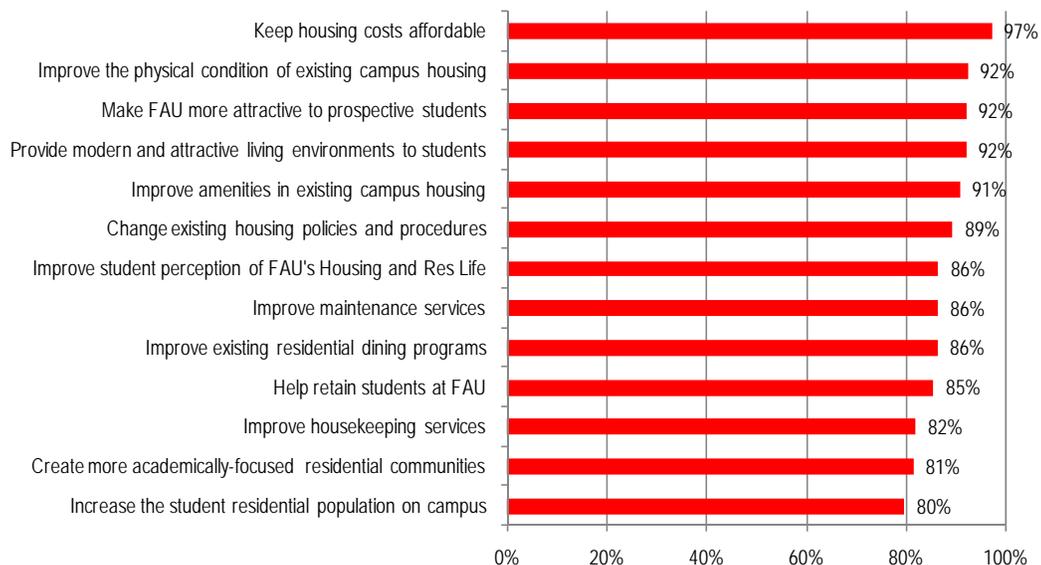
Nearly one-third (32%) of all respondents selected the four-bedroom / two-bathroom unit, 31% selected the two-bedroom / two-bathroom unit, and 36% selected off campus as shown in the chart below. Only 24% of juniors, seniors, and graduate students selected the four-bedroom units, 32% selected the two-bedroom units, and 44% selected off campus.

Chart 4.8: If the unit types described above were available on FAU's campus as part of Innovation Village at the rents outlined, what would have been your living preference for this past academic year (2008 - 2009)?



Students were asked to rate how important factors should be to FAU as it considers future improvements to on-campus housing. Chart 4.9 ranks the factors selected by students in order of most important to least important. The percentage represents factors selected by students as "very important" or "important."

Chart 4.9: Please rate how important each of the following factors should be to FAU as it considers future improvements to on-campus housing:



Tab 5

Demand-Based Programming

OBJECTIVES AND METHODOLOGY

B&D developed a student housing demand model to project the specific quantity of demand for the proposed unit types and location (Innovation Village) in the FAU student survey. The model projects demand under the assumption that the proposed housing would be designed to match the characteristics of the units presented to respondents in the survey. The model determines the demand based on responses from the student survey as well as enrollment projections provided by the University. The demand figures need to be adjusted as enrollment projections shift in the future.

CAPTURE RATES

The model allowed B&D to project the housing demand for Innovation Village based on class standing. However, the capture rates reflected the percentage of students only in the target market who indicated their intention to live in the proposed units.

TARGET MARKET

While B&D surveyed all FAU students enrolled in classes at the Boca campus, only juniors, seniors and graduate students are included in the demand target market. The target market included individuals who met all of the following criteria and selected the proposed unit types at the stated rental rates:

- Single students without children
- Less than 30 years old
- Full-time enrollment status
- Junior, senior, graduate student class standing
- Non-homeowners; renters or currently living with parents or relatives

B&D also determined that students would be more likely to choose a specific unit type based on its affordability. Therefore, a target market was determined for each unit type based on how much students currently contribute to their housing expenses. The target market for each unit type included students who met all of the criteria listed above, plus the following additional criteria: Unit A– Renters paying more than \$500 per month in rent (excluding utilities); Unit B – Renters paying more than \$600 per month in rent (excluding utilities).

STUDENT ENROLLMENT

B&D based housing demand for Innovation Village on enrollment projections provided by the University. Academic Year 2011-2012 enrollment (4,925 junior, 10,022 seniors, and 5,503 graduate / 2nd baccalaureate students) was used to project demand based on the assumption that the first phase of Innovation Village housing would open in the fall of 2011.

DEMAND ANALYSIS

TESTED UNITS AND PRICE POINTS

The student survey provided a detailed description of the following proposed units with price points (in 2009 dollars).

Unit A: Four-bedroom, two-bathroom apartment with single occupancy bedrooms

Estimated Rent: \$780-875 per month / per person; \$3,900-4,375 per semester / per person



Chart 5.1: Four-Bedroom Unit

Unit B: Two-bedroom, one bathroom apartment with single occupancy bedrooms

Estimated Rent: \$860-950 per month / per person; \$4,300-\$4,750 per semester / per person



Chart 5.2: Two-Bedroom Unit

DEMAND PROJECTIONS

Scenario A (Baseline)

The charts shown below represent the projected demand for four- and two-bedroom units using the target market described previously as a base case scenario. Based on data received from the focus groups and off-campus market analysis, B&D determined that affordability was a very important factor for student housing selection. The affordability filters are defined as rental payments that students currently make in relation to the rental rates associated with the units students chose in the survey. The four-bedroom apartment projection includes students who currently pay \$500/month or more in rent. The two-bedroom apartment projection includes students who currently pay \$600 month or more in rent.



Chart 5.3: Scenario A Demand Projection for AY 2011-2012

Class	Enrollment Projection	Potential Capture Rate	Maximum Potential Demand	Innovation Village Demand	
				Four Bedroom Apartment Single	Two Bedroom Apartment Single
Junior Year	4,925	5.7%	280	130	150
Senior Year	10,022	8.2%	825	342	483
Graduate Year(s)	5,503	5.0%	274	114	161
Total	20,450	6.7%	1,380	586	794

Juniors, seniors, and graduate students are more interested in the two-bedroom unit with single occupancy bedrooms over the four-bedroom apartment. The projected demand assumes students' willingness to pay a premium to live in the proposed units over the rental properties in the surrounding area. Scenario A indicates demand for 1,380 beds in 2011: 586 beds in four-bedroom apartments and 794 beds in two-bedroom apartments.

Scenario B

In the alternate scenario detailed below, B&D calculated demand for only four-bedroom units. The model used the respondent's second choice preference for those who selected the two-bedroom unit in the first unit selection question. This scenario projects demand assuming only four-bedroom units are built. The demand in this scenario is reduced to 872 beds in 2011 (chart 5.4).

Chart 5.4: Scenario B Demand Projection for AY 2011-2012

Class	Enrollment Projection	Potential Capture Rate	Maximum Potential Demand	Innovation Village Demand	
				Four Bedroom Apartment Single	Two Bedroom Apartment Single
Junior Year	4,925	3.6%	177	177	0
Senior Year	10,022	5.5%	550	550	0
Graduate Year(s)	5,503	2.6%	146	146	0
Total	20,450	4.3%	872	872	0

DEMAND ANALYSIS

CONCLUSIONS

The demand analysis confirms information obtained in the student focus groups showing significant interest in apartment-style housing at FAU's Innovation Village. If both four-bedroom (single occupancy) and two-bedroom (single occupancy) units are offered at the proposed rental rates, nearly 1,400 students can be accommodated in the new housing. While there is more demand for the two-bedroom units, scenario B offers more affordable units by only offering four-bedroom configurations. The overall demand in scenario B is reduced to 872 beds in 2011.



Exhibit A

Off-Campus Market Analysis Worksheets

Florida Atlantic University
 Student Housing Market Study
 Off Campus Market Analysis

Off-campus Housing Rate Comparison

Monthly Rate Per Person

Two - Bedroom Rental Units	
	<u>Private Bedroom</u>
Average Off-Campus Rate ²	\$717
Proposed On-campus Apartment Rate	<u>\$905</u>
<i>Difference</i> ¹	(\$188)
Maximum Rate ²	\$1,080
Proposed On-campus Apartment Rate	<u>\$950</u>
<i>Difference</i>	\$130

Annual Equivalent @ 12 months

Two - Bedroom Rental Units	
	<u>Private Bedroom</u>
Average Off-Campus Rate	\$8,607
Proposed On-campus Apartment Rate	<u>\$10,860</u>
<i>Difference</i> ¹	(\$2,253)
Maximum Rate	\$12,960
Proposed On-campus Apartment Rate	<u>\$11,400</u>
<i>Difference</i>	\$1,560

Three and Four - Bedroom Rental Units	
	<u>Private Bedroom</u>
Average Off-Campus Rate ²	\$639
Proposed On-campus Apartment Rate	<u>\$828</u>
<i>Difference</i> ¹	(\$188)
Maximum Rate ²	\$1,139
Proposed On-campus Apartment Rate	<u>\$875</u>
<i>Difference</i>	\$264
Student Friendly Property Rate	\$750
Proposed On-campus Apartment Rate	<u>\$828</u>
<i>Difference</i> ¹	(\$78)

Three and Four -Bedroom Rental Units	
	<u>Private Bedroom</u>
Average Off-Campus Rate	\$7,669
Proposed On-campus Apartment Rate	<u>\$9,930</u>
<i>Difference</i> ¹	(\$2,261)
Maximum Rate	\$13,668
Proposed On-campus Apartment Rate	<u>\$10,500</u>
<i>Difference</i>	\$3,168
Student Friendly Property Rate	\$8,994
Proposed On-campus Apartment	<u>\$9,930</u>
<i>Difference</i>	(\$936)

NOTES:

- (1) Numbers within parenthesis represent the savings students would receive by living in other off-campus rental properties.
- (2) Average and maximum off-campus rental rates include \$100 / mo. / person for utilities based on survey responses

Florida Atlantic University
Student Housing Market Study
Off Campus Market Analysis

General Information

Property Name	Address	City/ State	Distance to Campus (mi)	Number of Units	Occupancy	Studio	1 Bed	2 Bed	3 Bed	4 Bed	Min. Lease Term	Avg. Rate / Month	Avg. Rate/ person (sing. Occ.)	Furnished	Utilities Included
Addison Park	2111 N.W. 4 th Court	Boca Raton, FL	1.8	55	np	-	-	-	x	-	12	n/a	\$750	x	x
Arbor Oaks Apartments	9817 Arbor Oaks Lane	Boca Raton, FL	7.4	360	np	-	x	x	x	-	6	\$1,343	\$841	-	-
Archstone Delray Beach	5600 West Atlantic Ave.	Delray Beach, FL	11.5	196	np	-	x	x	x	-	2	\$1,098	\$636	-	-
Bella Vista Apartments at Boca Del	6925 Town Harbour Blvd.	Boca Raton, FL	5	392	np	-	x	x	-	-	7	\$1,085	\$779	-	-
Blue Isle	5100 W. Sample Road	Margate, FL	12	340	np	-	x	x	-	-	7	\$1,058	\$767	-	-
Boca Winds Apts.	530 N.E. 47 th Street	Boca Raton, FL	4.7	82	np	x	x	x	-	-	7	\$862	\$685	x	-
Camino Real	33 East Camino Real	Boca Raton, FL	3.3	235	92%	-	x	x	x	-	7	\$1,487	\$851	-	-
<i>Emerald Bay Club</i>	<i>10235 Entrada Blvd.</i>	<i>Boca Raton, FL</i>	<i>8</i>	<i>448</i>	<i>np</i>	<i>-</i>	<i>x</i>	<i>x</i>	<i>x</i>	<i>-</i>	<i>7</i>	<i>\$1,148</i>	<i>\$644</i>	<i>-</i>	<i>-</i>
Fountains at Delray Beach (1)	14401 South Military Trail	Delray Beach, FL	10.7	149	93%	-	x	x	x	-	7	\$1,138	\$672	-	-
Gables Boca Place (1)	22148 Boca Place Dr.	Boca Raton, FL	4.2	181	92%	-	x	x	x	-	7	\$1,224	\$692	-	-
Gables Town Colony	6079 Town Colony Dr.	Boca Raton, FL	2.8	172	93%	-	x	x	-	-	7	\$1,195	\$853	-	-
Golden Palms (1)	373 NW 4th Diagonal	Boca Raton, FL	1.5	82	93%	x	x	x	-	-	12	\$846	\$681	-	-
Lakes at Deerfield Beach	1100 S Military Trail	Deerfield Beach, FL	6.5	180	np	-	x	x	x	-	12	\$1,167	\$664	-	-
Mizner Court (1)	6503 N. Military Trail	Boca Raton, FL	5.2	450	88%	-	x	x	-	-	7	\$1,479	\$1,060	-	-
Palms of Boca del Mar	5515 Pacific Blvd.	Boca Raton, FL	4	320	np	-	x	x	-	-	7	\$1,188	\$858	-	-
Savannah Place	22856 Calibre Court	Boca Raton, FL	4.8	191	90%	-	x	x	x	-	7	\$1,183	\$651	-	-
Somerset Place (1)	5614 Wellesley Park Dr.	Boca Raton, FL	4.7	106	95%	-	x	x	-	-	7	\$1,060	\$773	-	-
The Enclave at Delray Beach (1)	14768 Enclave Lakes Dr.	Delray Beach, FL	11	224	80%	-	x	x	x	-	9	\$1,567	\$909	-	-
The Preserve at Deer Creek (10)	500 Jefferson Drive.	Deerfield Beach, FL	7.6	540	95%	-	x	x	x	-	7	\$1,118	\$647	-	-
Tuscany Pointe (1)	23126 Post Gardens Way	Boca Raton, FL	5	180	97%	x	x	x	-	-	7	\$964	\$776	-	-
Villa Oceana (1)	2519 N. Ocean Blvd.	Boca Raton, FL	5.1	160	97%	-	x	x	x	-	7	\$2,164	\$1,145	-	-
Vinings at Delray Beach (1)	650 Lavers Circ.	Delray Beach, FL	7.5	228	96%	-	x	x	x	-	7	\$1,230	\$706	-	-
Vinings II at Town Place (1)	5881 Town Bay Dr.	Boca Raton, FL	3.2	262	96%	-	x	x	x	-	7	\$1,244	\$700	x	-
Water's Edge (1)	500 North Congress Ave.	Delray Beach, FL	9.2	148	97%	-	x	x	x	-	7	\$1,004	\$594	-	-
Average			6	237	93%	2	13	13	8	0	7	\$1,211	\$764	3	1

Notes:

Italics- Students must have FT employment in order to qualify

(1) must make 2x-3x a rent per month in order to qualify. May have a co-signer

np- not provided

Florida Atlantic University
 Student Housing Market Study
 Off Campus Market Analysis

Comparison of Amenities

Property Name	Roommate Matching	W/D in unit	Internet	Computer Lab	Lounge / Clubhouse	Fitness Center	A/C	Cable	Pets	Reserved Parking	Pool	Gated Entry
Addison Park	x	x	x	x	x	x	x	x	x	x	x	x
Arbor Oaks Apartments		x	x	x	x	x	x		x	x	x	
Archstone Delray Beach		x	x			x	x		x	x	x	x
Bella Vista Apartments at Boca Del Mar		x	x			x	x		x		x	
Blue Isle		x	x	x		x	x		x		x	
Boca Winds Apts.							x		x		x	
Camino Real		x	x	x	x	x	x		x	x	x	x
Emerald Bay Club		x			x	x	x				x	
Fountains at Delray Beach		x	x	x	x	x	x		x	x	x	x
Gables Boca Place		x	x			x	x		x		x	
Gables Town Colony		x	x				x		x		x	
Golden Palms							x		x		x	
Lakes at Deerfield Beach		x	x	x	x	x	x		x		x	x
Mizner Court		x		x	x	x	x		x	x	x	x
Palms of Boca del Mar		x	x		x	x	x		x		x	
Savannah Place		x	x		x	x	x		x		x	
Somerset Place		x	x			x	x		x		x	
The Enclave at Delray Beach		x			x	x	x		x	x	x	x
The Preserve at Deer Creek		x	x	x	x	x	x		x	x	x	x
Tuscany Pointe		x	x	x	x	x	x		x	x	x	x
Villa Oceana		x	x	x	x	x	x		x		x	x
Vinings at Delray Beach		x	x	x	x	x	x		x		x	x
Vinings II at Town Place		x			x	x	x		x		x	
Water's Edge		x	x		x	x	x		x		x	x
	1	22	18	11	16	21	24	1	23	9	24	12

Florida Atlantic University
 Student Housing Market Study
 Off Campus Market Analysis

Studio Unit Analysis

Property Name	Avg. Rate	Avg. Sq. Ft.	Avg. Cost / Sq. Ft	Avg. Deposit	Avg. # Baths	Avg. Rate / Person (single Occ.)	Avg. Rate / Person (Double Occ.)
Boca Winds Apts.	\$750	412	\$2	750	1	\$750	\$375
Golden Palms	\$725	450	\$2	\$725	1	\$725	\$363
Tuscany Pointe	\$844	580	\$1		1	\$844	\$422
Studio Average	\$773	\$481	\$2	\$738	\$1	\$773	\$386

Florida Atlantic University
Student Housing Market Study
Off Campus Market Analysis

One Bedroom Unit Analysis

Property Name	Avg. Rate	Avg. Sq. Ft.	Avg. Cost / Sq. Ft.	Avg. Deposit	Avg. # Baths	Avg. Rate / Person (single Occ.)	Avg. Rate / Person (Double Occ.)
Arbor Oaks Apartments	\$1,125	960	\$1	\$150	1	\$1,125	\$563
Archstone Delray Beach	\$938	751	\$1		1	\$938	\$469
Bella Vista Apartments at Boca Del Mar	\$945	886	\$1	\$500	1	\$945	\$473
Blue Isle	\$953	775	\$1	\$300	1	\$953	\$476
Boca Winds Apts.	\$775	640	\$1	\$775	1	\$775	\$388
Camino Real	\$1,235	876	\$1	\$700	1	\$1,235	\$618
Emerald Bay Club	\$898	704	\$1		1	\$898	\$449
Fountains at Delray Beach	\$1,056	955	\$1	\$250	1	\$1,056	\$528
Gables Boca Place	\$955	684	\$1	\$400	1	\$955	\$478
Gables Town Colony	\$1,020	690	\$1		1	\$1,020	\$510
Golden Palms	\$823	653	\$1	\$823	1	\$823	\$411
Lakes at Deerfield Beach	\$950	764	\$1		1	\$950	\$475
Mizner Court	\$1,283	833	\$2		1	\$1,283	\$641
Palms of Boca del Mar	\$1,057	781	\$1	\$99	1	\$1,057	\$528
Savannah Place	\$883	765	\$1		1	\$883	\$441
Somerset Place	\$970	764	\$1		1	\$970	\$485
The Enclave at Delray Beach	\$1,345	1260	\$1		1	\$1,345	\$673
The Preserve at Deer Creek	\$955	816	\$1	\$300	1	\$955	\$478
Tuscany Pointe	\$920	786	\$1	\$250	1	\$920	\$460
Villa Oceana	\$1,415	700	\$2	\$400	1	\$1,415	\$708
Vinings at Delray Beach	\$1,020	814	\$1		1	\$1,020	\$510
Vinings II at Town Place	\$972	650	\$1	\$400	1	\$972	\$486
Water's Edge	\$930	833	\$1	\$250	1	\$930	\$465
One Bedroom Average	\$1,001	782	\$1	\$444	1	\$1,001	\$500

**Florida Atlantic University
Student Housing Market Study
Off Campus Market Analysis**

Two Bedroom Unit Analysis

Property Name	Avg. Rate	Avg. Sq. Ft.	Avg. Cost / Sq. Ft	Avg. Deposit	Avg. # Baths	Avg. Rate / Person (single Occ.)	Avg. Rate / Person (Double Occ.)
Arbor Oaks Apartments	\$1,298	1117	\$1	\$200	2	\$649	\$324
Archstone Delray Beach	\$1,108	1072	\$1		2	\$554	\$277
Bella Vista Apartments at Boca Del Mar	\$1,225	1255	\$1	\$600	2	\$613	\$306
Blue Isle	\$1,163	1175	\$1	\$300	2	\$581	\$291
Boca Winds Apts.	\$1,060	860	\$1	\$1,060	1	\$530	\$265
Camino Real	\$1,465	1239	\$1	\$800	2	\$733	\$366
Emerald Bay Club	\$1,110	944	\$1		2	\$555	\$278
Fountains at Delray Beach	\$1,051	1133	\$1	\$350	2	\$526	\$263
Gales Boca Place	\$1,293	1125	\$1	\$400	2	\$646	\$323
Gables Town Colony	\$1,370	1160	\$1		2	\$685	\$343
Golden Palms	\$989	1038	\$1	\$989	2	\$495	\$247
Lakes at Deerfield Beach	\$1,160	1034	\$1		2	\$580	\$290
Mizner Court	\$1,675	1363	\$1		2	\$837	\$419
Palms of Boca del Mar	\$1,319	1036	\$1	\$400	2	\$659	\$330
Savannah Place	\$1,090	1101	\$1		2	\$545	\$273
Somerset Place	\$1,150	1107	\$1		2	\$575	\$288
The Enclave at Delray Beach	\$1,575	1637	\$1		2	\$788	\$394
The Preserve at Deer Creek	\$1,115	1171	\$1	\$350	2	\$558	\$279
Tuscany Point	\$1,128	1140	\$1		2	\$564	\$282
Villa Oceana	\$1,961	1325	\$1	\$500	2	\$980	\$490
Vinings at Delray Beach	\$1,254	1206	\$1		2	\$627	\$314
Vinings at Town Place	\$1,240	1150	\$1	\$400	2	\$620	\$310
Water's Edge	\$947	1003	\$1	\$450	2	\$474	\$237
Two Bedroom Average	\$1,235	1111	\$1	\$567	2	\$617	\$309

Florida Atlantic University
 Student Housing Market Study
 Off Campus Market Analysis

Three Bedroom Unit Analysis

Property Name	Avg. Rate	Avg. Sq. Ft.	Avg. Cost / Sq. Ft	Avg. Deposit	Avg. # Baths	Avg. Rate / Person (single Occ.)	Avg. Rate / Person (Double Occ.)
Addison Park	n/a	1830	\$1		2.5	\$750	n/a
Arbor Oaks Apartments	\$1,605	1500	\$1	\$300	2	\$750	\$250
Archstone Delray Beach	\$1,248	1298	\$1		2	\$416	\$208
Camino Real	\$1,760	1518	\$1	\$900	2	\$587	\$293
Emerald Bay Club	\$1,435	1119	\$1		2	\$478	\$239
Fountains at Delray Beach	\$1,307	1257	\$1	\$450	2	\$436	\$218
Gables Boca Place	\$1,425	1353	\$1	\$400		\$475	\$238
Lakes at Deerfield Beach	\$1,390	1274	\$1		2	\$463	\$232
Savannah Place	\$1,575	1400	\$1	\$0	2	\$525	\$225
The Enclave at Delray Beach	\$1,780	1830	\$1		2	\$593	\$297
The Preserve at Deer Creek	\$1,283	1415	\$1	\$400	2	\$428	\$214
Villa Oceana	\$3,117	1575	\$2	\$400	2	\$1,039	\$520
Vinings at Delray Beach	\$1,417	1360	\$1		2	\$472	\$236
Vinings at Town Place	\$1,522	1400	\$1	\$400	2	\$507	\$254
Water's Edge	\$1,135	1146		\$450	2	\$378	\$189
Three Bedroom Average	\$1,571	\$1,389	\$1	\$411	\$2	\$539	\$258

Exhibit B

Student Survey Results

Florida Atlantic University Spring 2009 Housing Survey

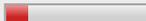
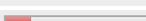
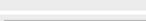
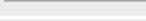
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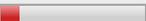
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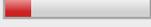
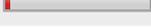
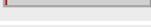
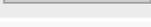
Total Respondents: 2269

Q1. How important was the availability of on-campus housing in your decision to attend FAU?			
Count	Percent		
550	24.28%		Very important
426	18.81%		Important
860	37.97%		Unimportant
429	18.94%		Very unimportant
2265	Respondents		

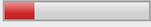
Q2. When you first decided to attend FAU, how did you learn about your housing options? SELECT ALL THAT APPLY				
Count	Respondent %	Response %		
674	29.77%	15.10%		I did not learn about housing options.
740	32.69%	16.58%		Admissions materials or presentations
747	32.99%	16.73%		New student orientation
504	22.26%	11.29%		Friends/acquaintances
631	27.87%	14.14%		Campus tour
792	34.98%	17.74%		FAU website
34	1.50%	0.76%		Other website(s)
84	3.71%	1.88%		College guidebooks or other non-FAU reference materials
51	2.25%	1.14%		High school counselors
133	5.87%	2.98%		FAU faculty/staff
74	3.27%	1.66%		Other (please specify)
2264	Respondents			
4464	Responses			

Q3. Once enrolled for the first time at FAU, how easy was it for you to find a place to live on or near campus?			
Count	Percent		
343	15.20%		Very easy
563	24.96%		Easy
294	13.03%		Difficult
123	5.45%		Very difficult
933	41.36%		Did not look for housing on or near campus.
2256	Respondents		

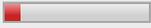
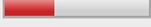
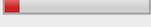
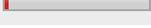
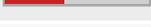
Q4. How many years have you lived in FAU's student housing? SELECT ONE.

Count	Respondent %	Response %		
1549	68.54%	68.45%		None
419	18.54%	18.52%		1 year
180	7.96%	7.95%		2 years
78	3.45%	3.45%		3 years
31	1.37%	1.37%		4 years
6	0.27%	0.27%		5 years or more
2260	Respondents			
2263	Responses			

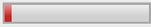
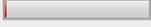
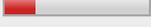
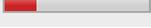
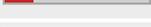
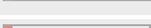
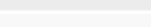
Q5. Where did you live while attending FAU during the most recent academic year (2008 - 2009)?

Count	Percent		
465	20.56%		On campus
1797	79.44%		Off campus
2262	Respondents		

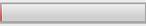
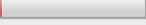
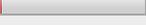
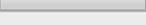
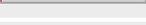
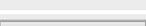
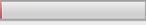
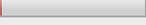
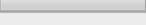
Q6. Compared to student housing at other universities with which you are familiar, how would you rate FAU's student housing?

Count	Percent		
239	10.71%		Very satisfactory
767	34.38%		Satisfactory
226	10.13%		Unsatisfactory
66	2.96%		Very unsatisfactory
933	41.82%		Not familiar with any other student housing
2231	Respondents		

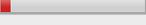
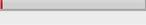
Q7. If you lived on campus in FAU student housing, in what building did you reside?

Count	Percent		
21	4.90%		Boca Campus - Algonquin
4	0.93%		Boca Campus - BPW House
91	21.21%		Boca Campus - Glades Park Towers
94	21.91%		Boca Campus - Heritage Park Towers
85	19.81%		Boca Campus - Indian River Towers
85	19.81%		Boca Campus - University Village Apartments
26	6.06%		Jupiter Campus - Residence Hall 1
23	5.36%		Jupiter Campus - Residence Hall 2
429	Respondents		

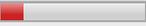
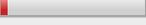
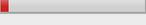
Q8. If you lived off campus in non-FAU student housing, where did you reside?

Count	Percent		
5	0.34%		The Enclave
4	0.27%		Crown Court/Carriage Walk Apartments
9	0.60%		Siesta Key
2	0.13%		Addison Park
12	0.81%		Arbor Oaks Apartments
9	0.60%		Palms of Boca del Mar
6	0.40%		Spring Harbor
6	0.40%		Boca Winds Apartments
2	0.13%		Villa Oceana
2	0.13%		Bouganvillas
5	0.34%		Rosemurgy Properties
10	0.67%		Crystal Palms Apartments
3	0.20%		Blue Isle
10	0.67%		Mizner Court
4	0.27%		Tuscany Pointe
2	0.13%		Savannah Place
5	0.34%		Somerset Place
1392	93.55%		Other
1488	Respondents		

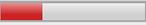
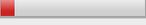
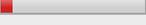
Q9. How would you describe your living conditions during the 2008 - 2009 academic year?

Count	Percent		
863	42.37%		Very satisfactory
1009	49.53%		Satisfactory
133	6.53%		Unsatisfactory
32	1.57%		Very unsatisfactory
2037	Respondents		

Q10. Please rate how important each of the following factors was in your decision on where to live this past year: SELECT ONE RESPONSE FOR EACH FACTOR - Total cost of rent and utilities

Count	Percent		
1503	74.11%		Very important
325	16.03%		Important
93	4.59%		Unimportant
107	5.28%		Very unimportant
2028	Respondents		

Q11. Please rate how important each of the following factors was in your decision on where to live this past year: SELECT ONE RESPONSE FOR EACH FACTOR - Availability of my preferred housing unit type (double room, private room, apartment, suite, etc.)

Count	Percent		
1078	53.31%		Very important
588	29.08%		Important
193	9.55%		Unimportant
163	8.06%		Very unimportant
2022	Respondents		

Q12. Please rate how important each of the following factors was in your decision on where to live this past year: SELECT ONE RESPONSE FOR EACH FACTOR - Ability to choose my own roommate(s)

Count	Percent		
1026	50.89%		Very important
486	24.11%		Important
282	13.99%		Unimportant
222	11.01%		Very unimportant
2016	Respondents		

Q13. Please rate how important each of the following factors was in your decision on where to live this past year: SELECT ONE RESPONSE FOR EACH FACTOR - Availability of accommodations for persons with disabilities

Count	Percent		
332	16.51%		Very important
274	13.63%		Important
605	30.08%		Unimportant
800	39.78%		Very unimportant
2011	Respondents		

Q14. Please rate how important each of the following factors was in your decision on where to live this past year: SELECT ONE RESPONSE FOR EACH FACTOR - Parent's or family's wishes

Count	Percent		
439	21.72%		Very important
583	28.85%		Important
501	24.79%		Unimportant
498	24.64%		Very unimportant
2021	Respondents		

Q15. Please rate how important each of the following factors was in your decision on where to live this past year: SELECT ONE RESPONSE FOR EACH FACTOR - Proximity to classes

Count	Percent		
874	43.31%		Very important
731	36.22%		Important
228	11.30%		Unimportant
185	9.17%		Very unimportant
2018	Respondents		

Q16. Please rate how important each of the following factors was in your decision on where to live this past year: SELECT ONE RESPONSE FOR EACH FACTOR - Proximity to other students

Count	Percent		
431	21.34%		Very important
603	29.85%		Important
569	28.17%		Unimportant
417	20.64%		Very unimportant
2020	Respondents		

Q17. Please rate how important each of the following factors was in your decision on where to live this past year: SELECT ONE RESPONSE FOR EACH FACTOR - Proximity to, or availability of, convenient parking or public transportation

Count	Percent		
861	42.69%		Very important
572	28.36%		Important
327	16.21%		Unimportant
257	12.74%		Very unimportant
2017	Respondents		

Q18. Please rate how important each of the following factors was in your decision on where to live this past year: SELECT ONE RESPONSE FOR EACH FACTOR - Proximity to my work

Count	Percent		
724	35.91%		Very important
678	33.63%		Important
347	17.21%		Unimportant
267	13.24%		Very unimportant
2016	Respondents		

Q19. Please rate how important each of the following factors was in your decision on where to live this past year: SELECT ONE RESPONSE FOR EACH FACTOR - Proximity to, or availability of, child care

Count	Percent		
199	9.93%		Very important
152	7.58%		Important
500	24.95%		Unimportant
1153	57.53%		Very unimportant
2004	Respondents		

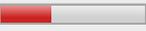
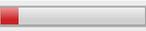
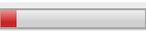
Q20. Please rate how important each of the following factors was in your decision on where to live this past year: SELECT ONE RESPONSE FOR EACH FACTOR - Proximity to shopping, entertainment, or restaurants

Count	Percent		
451	22.36%		Very important
833	41.30%		Important
445	22.06%		Unimportant
288	14.28%		Very unimportant
2017	Respondents		

Q21. Please rate how important each of the following factors was in your decision on where to live this past year: SELECT ONE RESPONSE FOR EACH FACTOR - Availability of high-speed Internet

Count	Percent		
1257	62.26%		Very important
478	23.68%		Important
135	6.69%		Unimportant
149	7.38%		Very unimportant
2019	Respondents		

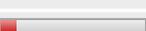
Q22. Please rate how important each of the following factors was in your decision on where to live this past year: SELECT ONE RESPONSE FOR EACH FACTOR - Reliability of maintenance and custodial services

Count	Percent		
825	41.37%		Very important
697	34.95%		Important
251	12.59%		Unimportant
221	11.08%		Very unimportant
1994	Respondents		

Q23. Please rate how important each of the following factors was in your decision on where to live this past year: SELECT ONE RESPONSE FOR EACH FACTOR - Opportunity to live in a building that has the physical features I desire (furnished, modern, well maintained, attractive, etc.)

Count	Percent		
788	39.20%		Very important
726	36.12%		Important
281	13.98%		Unimportant
215	10.70%		Very unimportant
2010	Respondents		

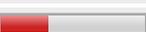
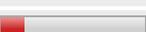
Q24. Please rate how important each of the following factors was in your decision on where to live this past year: SELECT ONE RESPONSE FOR EACH FACTOR - Flexible lease/rental terms

Count	Percent		
879	43.73%		Very important
648	32.24%		Important
259	12.89%		Unimportant
224	11.14%		Very unimportant
2010	Respondents		

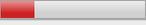
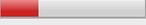
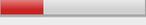
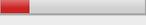
Q25. Please rate how important each of the following factors was in your decision on where to live this past year: SELECT ONE RESPONSE FOR EACH FACTOR - Availability of a good building manager or landlord

Count	Percent		
853	42.37%		Very important
748	37.16%		Important
212	10.53%		Unimportant
200	9.94%		Very unimportant
2013	Respondents		

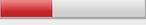
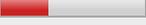
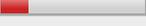
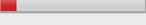
Q26. Please rate how important each of the following factors was in your decision on where to live this past year: SELECT ONE RESPONSE FOR EACH FACTOR - Availability of educational opportunities

Count	Percent		
747	37.18%		Very important
663	33.00%		Important
335	16.67%		Unimportant
264	13.14%		Very unimportant
2009	Respondents		

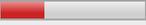
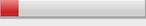
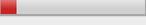
Q27. Please rate how important each of the following factors was in your decision on where to live this past year: SELECT ONE RESPONSE FOR EACH FACTOR - Availability of leadership opportunities

Count	Percent		
474	23.68%		Very important
532	26.57%		Important
600	29.97%		Unimportant
396	19.78%		Very unimportant
2002	Respondents		

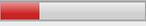
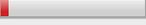
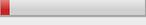
Q28. Please rate how important each of the following factors was in your decision on where to live this past year: SELECT ONE RESPONSE FOR EACH FACTOR - Less restrictive rules and supervision

Count	Percent		
723	36.06%		Very important
672	33.52%		Important
387	19.30%		Unimportant
223	11.12%		Very unimportant
2005	Respondents		

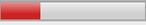
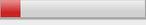
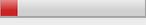
Q29. Please rate how important each of the following factors was in your decision on where to live this past year: SELECT ONE RESPONSE FOR EACH FACTOR - Ability to stay during breaks

Count	Percent		
923	46.08%		Very important
604	30.15%		Important
252	12.58%		Unimportant
224	11.18%		Very unimportant
2003	Respondents		

Q30. Please rate how important each of the following factors was in your decision on where to live this past year: SELECT ONE RESPONSE FOR EACH FACTOR - Availability of a quiet place to study

Count	Percent		
1234	61.58%		Very important
539	26.90%		Important
108	5.39%		Unimportant
123	6.14%		Very unimportant
2004	Respondents		

Q31. Please rate how important each of the following factors was in your decision on where to live this past year: SELECT ONE RESPONSE FOR EACH FACTOR - Access to FAU resources (computer labs, student services, administrative offices, etc.)

Count	Percent		
936	46.75%		Very important
552	27.57%		Important
278	13.89%		Unimportant
236	11.79%		Very unimportant
2002	Respondents		

Q32. Please rate how important each of the following factors was in your decision on where to live this past year: SELECT ONE RESPONSE FOR EACH FACTOR - Opportunity to be involved in campus activities

Count	Percent		
604	30.20%		Very important
592	29.60%		Important
476	23.80%		Unimportant
328	16.40%		Very unimportant
2000	Respondents		

Q33. Please rate how important each of the following factors was in your decision on where to live this past year: SELECT ONE RESPONSE FOR EACH FACTOR - Opportunity to be involved in FAU residential living-learning communities

Count	Percent		
346	17.26%		Very important
394	19.65%		Important
716	35.71%		Unimportant
549	27.38%		Very unimportant
2005	Respondents		

Q34. Please rate how important each of the following factors was in your decision on where to live this past year: SELECT ONE RESPONSE FOR EACH FACTOR - Safety and security features

Count	Percent		
1218	60.39%		Very important
558	27.66%		Important
115	5.70%		Unimportant
126	6.25%		Very unimportant
2017	Respondents		

Q35. Please rate how important each of the following factors was in your decision on where to live this past year: SELECT ONE RESPONSE FOR EACH FACTOR - Availability of a private (single) bedroom

Count	Percent		
1235	61.32%		Very important
456	22.64%		Important
188	9.33%		Unimportant
135	6.70%		Very unimportant
2014	Respondents		

Q36. Please rate how important each of the following factors was in your decision on where to live this past year: SELECT ONE RESPONSE FOR EACH FACTOR - Availability of a private bathroom

Count	Percent		
1102	54.83%		Very important
551	27.41%		Important
225	11.19%		Unimportant
132	6.57%		Very unimportant
2010	Respondents		

Q37. Please rate how important each of the following factors was in your decision on where to live this past year: SELECT ONE RESPONSE FOR EACH FACTOR - Availability of additional living space outside my bedroom but within my unit

Count	Percent		
1000	49.93%		Very important
660	32.95%		Important
208	10.38%		Unimportant
135	6.74%		Very unimportant
2003	Respondents		

Q38. Please rate how important each of the following factors was in your decision on where to live this past year: SELECT ONE RESPONSE FOR EACH FACTOR - Availability of a kitchen

Count	Percent		
1180	58.65%		Very important
524	26.04%		Important
191	9.49%		Unimportant
117	5.82%		Very unimportant
2012	Respondents		

Q39. Please rate how important each of the following factors was in your decision on where to live this past year: SELECT ONE RESPONSE FOR EACH FACTOR - Availability of convenient laundry facilities

Count	Percent		
1268	63.21%		Very important
539	26.87%		Important
91	4.54%		Unimportant
108	5.38%		Very unimportant
2006	Respondents		

Q40. Please rate how important each of the following factors was in your decision on where to live this past year: SELECT ONE RESPONSE FOR EACH FACTOR - Access to campus dining

Count	Percent		
593	29.52%		Very important
417	20.76%		Important
484	24.09%		Unimportant
515	25.63%		Very unimportant
2009	Respondents		

Q41. Who made the decision regarding where you lived this year?

Count	Percent		
1042	51.05%		I did solely
80	3.92%		My parent(s)/guardian(s) solely
597	29.25%		My parent(s)/guardian(s) and I jointly
254	12.44%		My spouse/partner and I jointly
68	3.33%		Other (please specify)
2041	Respondents		

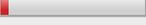
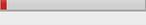
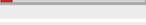
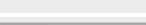
Q42. Where do you plan to live next year?

Count	Percent		
266	13.01%		On campus
1388	67.87%		Off campus
193	9.44%		Undecided on where to live
198	9.68%		Not applicable; I will not be attending FAU next year.
2045	Respondents		

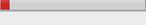
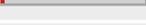
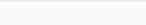
Q43. If considering living OFF CAMPUS next year, why would you prefer to do so? SELECT ALL THAT APPLY

Count	Respondent %	Response %	
47	3.07%	0.44%	I will not be attending FAU next year.
79	5.15%	0.74%	I am ineligible to live in FAU's student housing.
483	31.51%	4.52%	To live in a quieter environment
236	15.39%	2.21%	To satisfy my parent's/family's wishes
563	36.73%	5.27%	Fewer rules and regulations
356	23.22%	3.33%	More convenient location
281	18.33%	2.63%	More convenient parking or public transportation
884	57.66%	8.27%	More cost effective
160	10.44%	1.50%	My preferred on-campus living accommodation may not be available
222	14.48%	2.08%	Better Internet access
523	34.12%	4.90%	Better living unit amenities
322	21.00%	3.01%	Better security/safety
364	23.74%	3.41%	Ability to live with or near friends
577	37.64%	5.40%	Ability to live with or near family or partner
787	51.34%	7.37%	More privacy
802	52.32%	7.51%	More living space
661	43.12%	6.19%	No meal plan requirement
813	53.03%	7.61%	Access to my own kitchen
662	43.18%	6.20%	More convenient laundry facilities
306	19.96%	2.86%	Better physical condition of the building
177	11.55%	1.66%	Better building management and staffing
216	14.09%	2.02%	Better maintenance and housekeeping services
31	2.02%	0.29%	Better accessibility for persons with disabilities
254	16.57%	2.38%	To establish residency or credit history in my own name
215	14.02%	2.01%	To live away from other students
496	32.35%	4.64%	To have a pet
166	10.83%	1.55%	Other (please specify)
1533	Respondents		
10683	Responses		

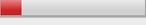
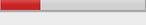
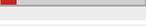
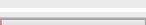
Q44. Where did you live off campus?

Count	Percent		
490	31.57%		Apartment/condo rented
89	5.73%		Apartment/condo owned by me or my spouse/partner
66	4.25%		Apartment/condo owned by a family member other than a spouse/partner
125	8.05%		House rented
213	13.72%		House owned by me or my spouse/partner
514	33.12%		House owned by a family member other than a spouse/partner
31	2.00%		Individual room rented in a house
24	1.55%		Other (please specify)
1552	Respondents		

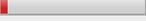
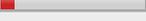
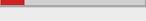
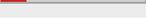
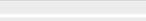
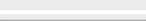
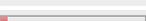
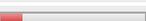
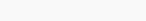
Q45. With whom did you live?

Count	Percent		
147	9.46%		I lived alone
192	12.36%		With other FAU roommate(s)
96	6.18%		With other non-FAU roommate(s)
43	2.77%		With both FAU and non-FAU roommate(s)
597	38.42%		With my parent(s) or other relative(s)
446	28.70%		With my spouse/partner and/or children
33	2.12%		Other (please specify)
1554	Respondents		

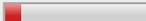
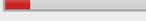
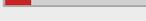
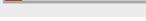
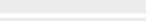
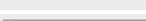
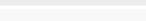
Q46. With how many other people did you share your cost of rent?

Count	Percent		
631	40.74%		I did not pay rent
224	14.46%		No other people; I pay the rent myself
428	27.63%		1 other person
170	10.97%		2 other people
65	4.20%		3 other people
19	1.23%		4 other people
12	0.77%		5 or more other people
1549	Respondents		

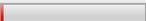
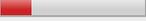
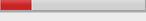
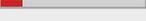
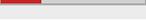
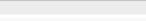
Q47. What was your personal share of monthly rent/housing costs excluding utilities?

Count	Percent		
17	1.85%		Less than \$100
18	1.96%		\$100 - \$199
44	4.80%		\$200 - \$299
86	9.38%		\$300 - \$399
154	16.79%		\$400 - \$499
167	18.21%		\$500 - \$599
111	12.10%		\$600 - \$699
60	6.54%		\$700 - \$799
43	4.69%		\$800 - \$899
42	4.58%		\$900 - \$999
136	14.83%		\$1,000 or more
39	4.25%		I don't know
917	Respondents		

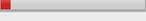
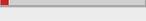
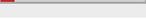
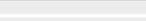
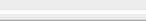
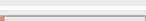
Q48. In addition to your rent, for which of the following utilities did you pay? SELECT ALL THAT APPLY

Count	Respondent %	Response %	
498	32.38%	11.02%	 Not applicable; I did not pay for any utilities
654	42.52%	14.47%	 Cable/satellite television
147	9.56%	3.25%	 Heat
794	51.63%	17.57%	 Internet
825	53.64%	18.26%	 Electric
524	34.07%	11.60%	 Water
244	15.86%	5.40%	 Sewer
582	37.84%	12.88%	 Telephone
251	16.32%	5.55%	 Trash
1538	Respondents		
4519	Responses		

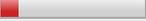
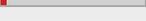
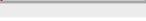
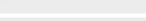
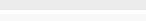
Q49. How much was your individual monthly cost for all the utilities selected in the previous question?

Count	Percent		
21	2.02%		Less than \$25
65	6.26%		\$25 - \$49
222	21.37%		\$50 - \$99
225	21.66%		\$100 - \$149
157	15.11%		\$150 - \$199
293	28.20%		\$200 or more
56	5.39%		Don't know
1039	Respondents		

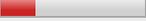
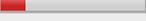
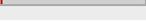
Q50. What was your personal share of the security deposit required for your lease?

Count	Percent		
141	22.17%		No deposit required
28	4.40%		Less than \$100
38	5.97%		\$100 - \$199
44	6.92%		\$200 - \$299
36	5.66%		\$300 - \$399
60	9.43%		\$400 - \$499
75	11.79%		\$500 - \$599
29	4.56%		\$600 - \$699
33	5.19%		\$700 - \$799
17	2.67%		\$800 - \$899
16	2.52%		\$900 - \$999
71	11.16%		\$1,000 or more
48	7.55%		Don't know
636	Respondents		

Q51. How long was your lease?

Count	Percent		
77	12.13%		Not applicable; I did not have a lease
45	7.09%		More than 12 months
433	68.19%		12 months
25	3.94%		Academic year (approximately 9 months)
8	1.26%		Academic term (e.g., semester)
34	5.35%		Monthly
13	2.05%		Other (please specify)
635	Respondents		

Q52. How do you think your off-campus living experience compares to living in FAU's student housing?

Count	Percent		
750	51.23%		My off-campus experience was much better.
356	24.32%		My off-campus experience was somewhat better.
253	17.28%		The on- and off-campus experiences are about the same.
83	5.67%		My off-campus experience was somewhat worse.
22	1.50%		My off-campus experience was much worse.
1464	Respondents		

Q53. How did you typically get to and from campus?

Count	Percent		
18	1.18%		Walk
1236	80.84%		Drive alone
172	11.25%		Drive/ride with others
47	3.07%		Ride a bicycle/motorcycle
6	0.39%		Ride the FAU shuttle bus
36	2.35%		Ride public transportation
14	0.92%		Other (please specify)
1529	Respondents		

Q54. How long was your typical one-way commute to campus?

Count	Percent		
107	6.98%		Less than 5 minutes
221	14.42%		5 - 10 minutes
360	23.48%		11 - 20 minutes
328	21.40%		21 - 30 minutes
216	14.09%		31 - 40 minutes
166	10.83%		41 - 50 minutes
76	4.96%		51 - 60 minutes
59	3.85%		More than 60 minutes
1533	Respondents		

Q55. Please rate how important each of the following factors should be to FAU as it considers future improvements to on-campus housing: SELECT ONE RESPONSE FOR EACH FACTOR - Provide modern and attractive living environments to students

Count	Percent		
1001	52.66%		Very important
745	39.19%		Important
106	5.58%		Unimportant
49	2.58%		Very unimportant
1901	Respondents		

Q56. Please rate how important each of the following factors should be to FAU as it considers future improvements to on-campus housing: SELECT ONE RESPONSE FOR EACH FACTOR - Create more academically-focused residential communities

Count	Percent		
704	36.92%		Very important
846	44.36%		Important
289	15.15%		Unimportant
68	3.57%		Very unimportant
1907	Respondents		

Q57. Please rate how important each of the following factors should be to FAU as it considers future improvements to on-campus housing: SELECT ONE RESPONSE FOR EACH FACTOR - Help retain students at FAU

Count	Percent		
886	46.56%		Very important
739	38.83%		Important
194	10.19%		Unimportant
84	4.41%		Very unimportant
1903	Respondents		

Q58. Please rate how important each of the following factors should be to FAU as it considers future improvements to on-campus housing: SELECT ONE RESPONSE FOR EACH FACTOR - Increase the student residential population on campus

Count	Percent		
844	44.70%		Very important
658	34.85%		Important
307	16.26%		Unimportant
79	4.18%		Very unimportant
1888	Respondents		

Q59. Please rate how important each of the following factors should be to FAU as it considers future improvements to on-campus housing: SELECT ONE RESPONSE FOR EACH FACTOR - Make FAU more attractive to prospective students

Count	Percent		
1055	55.61%		Very important
688	36.27%		Important
107	5.64%		Unimportant
47	2.48%		Very unimportant
1897	Respondents		

Q60. Please rate how important each of the following factors should be to FAU as it considers future improvements to on-campus housing: SELECT ONE RESPONSE FOR EACH FACTOR - Keep housing costs affordable

Count	Percent		
1577	82.91%		Very important
268	14.09%		Important
31	1.63%		Unimportant
26	1.37%		Very unimportant
1902	Respondents		

Q61. Please rate how important each of the following factors should be to FAU as it considers future improvements to on-campus housing: SELECT ONE RESPONSE FOR EACH FACTOR - Improve the physical condition of existing campus housing, such as bathroom modernization, new carpeting, new lighting, and painting

Count	Percent		
1084	57.48%		Very important
655	34.73%		Important
104	5.51%		Unimportant
43	2.28%		Very unimportant
1886	Respondents		

Q62. Please rate how important each of the following factors should be to FAU as it considers future improvements to on-campus housing: SELECT ONE RESPONSE FOR EACH FACTOR - Improve amenities in existing campus housing, such as room furnishings, lounges, recreation areas, and computing resources

Count	Percent		
1061	55.96%		Very important
657	34.65%		Important
134	7.07%		Unimportant
44	2.32%		Very unimportant
1896	Respondents		

Q63. Please rate how important each of the following factors should be to FAU as it considers future improvements to on-campus housing: SELECT ONE RESPONSE FOR EACH FACTOR - Improve student perception of FAU's Housing and Residential Life Office

Count	Percent		
904	47.88%		Very important
726	38.45%		Important
199	10.54%		Unimportant
59	3.13%		Very unimportant
1888	Respondents		

Q64. Please rate how important each of the following factors should be to FAU as it considers future improvements to on-campus housing: SELECT ONE RESPONSE FOR EACH FACTOR - Improve maintenance services

Count	Percent		
797	42.04%		Very important
838	44.20%		Important
209	11.02%		Unimportant
52	2.74%		Very unimportant
1896	Respondents		

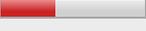
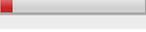
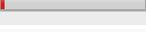
Q65. Please rate how important each of the following factors should be to FAU as it considers future improvements to on-campus housing: SELECT ONE RESPONSE FOR EACH FACTOR - Improve housekeeping services

Count	Percent		
745	39.61%		Very important
793	42.16%		Important
280	14.89%		Unimportant
63	3.35%		Very unimportant
1881	Respondents		

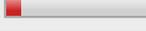
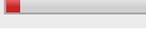
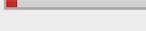
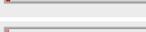
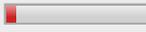
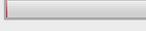
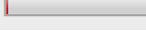
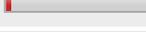
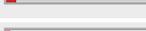
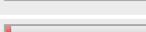
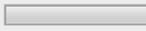
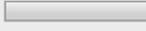
Q66. Please rate how important each of the following factors should be to FAU as it considers future improvements to on-campus housing: SELECT ONE RESPONSE FOR EACH FACTOR - Improve existing residential dining programs

Count	Percent		
957	50.88%		Very important
664	35.30%		Important
199	10.58%		Unimportant
61	3.24%		Very unimportant
1881	Respondents		

Q67. Please rate how important each of the following factors should be to FAU as it considers future improvements to on-campus housing: SELECT ONE RESPONSE FOR EACH FACTOR - Change existing housing policies and procedures so they are more student friendly

Count	Percent		
968	51.19%		Very important
719	38.02%		Important
157	8.30%		Unimportant
47	2.49%		Very unimportant
1891	Respondents		

Q68. If FAU built new housing, which five physical features would be the most important to you? SELECT UP TO FIVE

Count	Respondent %	Response %	
243	12.70%	2.61%	 Convenient location
958	50.05%	10.29%	 Private (single) bedroom
892	46.60%	9.58%	 Private bathroom
736	38.45%	7.91%	 In-unit full kitchen (sink with garbage disposal, full-sized refrigerator, microwave, stove/oven, and dishwasher)
340	17.76%	3.65%	 In-unit kitchenette (sink with dishwasher, small refrigerator, and microwave)
279	14.58%	3.00%	 Living room
178	9.30%	1.91%	 Storage space
266	13.90%	2.86%	 Fitness or recreation area(s) in or near the housing facility
185	9.67%	1.99%	 Convenience store in or near the housing facility
199	10.40%	2.14%	 Computer lab in the housing facility/complex
435	22.73%	4.67%	 Individual temperature controls in living units
463	24.19%	4.97%	 Full-sized beds
684	35.74%	7.35%	 On-site parking
96	5.02%	1.03%	 Convenient access to public transportation
168	8.78%	1.80%	 Convenient on-campus dining options
330	17.24%	3.55%	 Quiet study area in the building
33	1.72%	0.35%	 Classrooms/academic facilities in the building
673	35.16%	7.23%	 Washer and dryer in the living unit
295	15.41%	3.17%	 Convenient laundry facilities in the building
320	16.72%	3.44%	 Controlled/secured access to the building
131	6.84%	1.41%	 Social lounge/TV room in the building
927	48.43%	9.96%	 In-room wireless Internet access
205	10.71%	2.20%	 Environmentally-friendly design and operation
204	10.66%	2.19%	 Outdoor swimming pool
25	1.31%	0.27%	 Outdoor volleyball court
43	2.25%	0.46%	 Other (please specify)
1914	Respondents		
9308	Responses		

Q69. If FAU built new housing, which five personal preferences would be the most important to you? SELECT UP TO FIVE

Count	Respondent %	Response %		
367	19.32%	4.17%		24-hour on-site management
757	39.84%	8.59%		Flexible occupancy terms (9, 10, or 12 months, stay over break periods, etc.)
926	48.74%	10.51%		Flexible payment terms (e.g., pay rent monthly)
110	5.79%	1.25%		Convenient child care
344	18.11%	3.91%		Availability of maintenance and custodial services
92	4.84%	1.04%		Availability of FAU residential living-learning communities
236	12.42%	2.68%		Availability of FAU on-campus Greek housing
295	15.53%	3.35%		Availability of lifestyle or theme communities (smoke free, alcohol free, community service focused, gender specific, etc.)
569	29.95%	6.46%		Fewer rules and regulations
912	48.00%	10.35%		Little or no meal plan requirement
885	46.58%	10.05%		Ability to choose my own FAU roommates
396	20.84%	4.50%		Ability to live with non-FAU friends or family
241	12.68%	2.74%		Ability to live near FAU students who are in my academic program
181	9.53%	2.05%		Proximity to public transportation
307	16.16%	3.49%		Proximity to campus activities
318	16.74%	3.61%		Proximity to retail areas (shopping, entertainment, restaurants, etc.)
881	46.37%	10.00%		Ability to retain the same living unit from year to year
405	21.32%	4.60%		Ability to bring my own furniture
543	28.58%	6.16%		Ability to have pets
44	2.32%	0.50%		Other (please specify)
1900	Respondents			
8809	Responses			

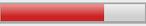
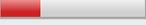
Q70. If the unit types described above were available on FAU's campus as part of Innovation Village at the rents outlined, what would have been your living preference for this past academic year (2008 - 2009)?

Count	Percent		
613	32.37%		Unit A: Single occupancy (private) bedroom in a four-bedroom, two-bathroom apartment for approximately \$780-875 per person per month (\$3,900-4,375 per person per semester)
590	31.15%		Unit B: Single occupancy (private) bedroom in a two-bedroom, two-bathroom apartment for approximately \$860-950- per person per month (\$4,300-4,750 per person per semester)
691	36.48%		Off campus - I would not like to live in any of the above units on campus
1894	Respondents		

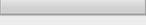
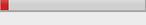
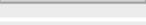
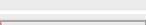
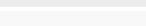
Q71. If your preferred unit type described above were unavailable, what would your second choice have been for this past academic year?

Count	Percent		
475	25.12%		Unit A: Single occupancy (private) bedroom in a four-bedroom, two-bathroom apartment for approximately \$780-875 per person per month (\$3,900-4,375 per person per semester)
487	25.75%		Unit B: Single occupancy (private) bedroom in a two-bedroom, two-bathroom apartment for approximately \$860-950- per person per month (\$4,300-4,750 per person per semester)
929	49.13%		Off campus - I would not like to live in any of the above units on campus
1891	Respondents		

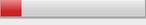
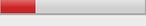
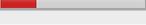
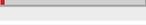
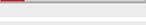
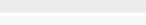
Q72. Would you be interested in an in-unit washer and dryer for approximately \$20 more per month per student? SELECT ONE

Count	Percent		
1376	72.34%		Yes
526	27.66%		No
1902	Respondents		

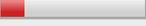
Q73. Where did you take most of your classes while attending FAU during the 2008 - 2009 academic year?

Count	Percent		
1711	89.44%		Boca Raton
3	0.16%		Dania Beach (SeaTech)
104	5.44%		Davie
14	0.73%		Fort Lauderdale
4	0.21%		Harbor Branch
69	3.61%		Jupiter
2	0.10%		Treasure Coast
6	0.31%		Online
1913	Respondents		

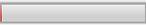
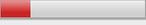
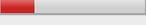
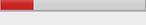
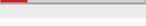
Q74. What was your 2008 - 2009 class standing?

Count	Percent		
327	17.11%		Freshman
280	14.65%		Sophomore
463	24.23%		Junior
469	24.54%		Senior
47	2.46%		2nd Baccalaureate
312	16.33%		Graduate student
13	0.68%		Other
1911	Respondents		

Q75. What was your 2008 - 2009 enrollment status?

Count	Percent		
1587	83.39%		Full time
316	16.61%		Part time
1903	Respondents		

Q76. What is your age?

Count	Percent		
9	0.47%		17 or under
391	20.48%		18 - 19
444	23.26%		20 - 21
432	22.63%		22 - 24
282	14.77%		25 - 29
351	18.39%		30 or over
1909	Respondents		

Q77. What is your gender?			
Count	Percent		
600	31.46%		Male
1307	68.54%		Female
1907	Respondents		

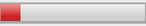
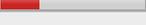
Q78. What is your ethnic or racial background?			
Count	Percent		
123	6.46%		Asian
263	13.81%		Black
300	15.76%		Hispanic
11	0.58%		American Indian/Alaskan Native
1108	58.19%		White
8	0.42%		Native Hawaiian or other Pacific Islander
91	4.78%		Other (please specify)
1904	Respondents		

Q79. What is your current residency status?			
Count	Percent		
1814	95.42%		Domestic student (U.S. citizen or permanent resident)
87	4.58%		International student
1901	Respondents		

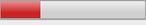
Q80. In what college/school were you enrolled or affiliated with during the 2008 - 2009 academic year?			
Count	Percent		
62	3.25%		Undeclared or undecided major
139	7.28%		College of Architecture, Urban and Public Affairs
333	17.43%		College of Arts and Letters
455	23.82%		College of Business
234	12.25%		College of Education
150	7.85%		College of Engineering and Computer Science
49	2.57%		The Graduate College
49	2.57%		Honors College
80	4.19%		College of Nursing
347	18.17%		College of Science
12	0.63%		Other (please specify)
1910	Respondents		

Q81. What is your marital/family status?			
Count	Percent		
1468	77.02%		Single without child(ren)/dependent(s)
83	4.35%		Single with child(ren)/dependent(s)
201	10.55%		Married/partnered without child(ren)/dependent(s)
154	8.08%		Married/partnered with child(ren)/dependent(s)
1906	Respondents		

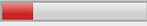
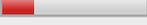
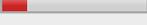
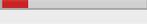
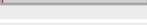
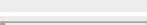
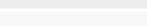
Q82. Please describe your current employment status:

Count	Percent		
262	13.72%		I work on campus
1061	55.55%		I work off campus
76	3.98%		I work both on and off campus
511	26.75%		I do not work
1910	Respondents		

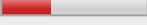
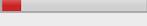
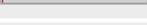
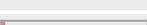
Q83. Please describe your on campus employment status:

Count	Percent		
93	27.76%		Full time
242	72.24%		Part time
335	Respondents		

Q84. What are the primary sources of funding for your academic expenses (tuition, fees, books, etc.)? SELECT ALL THAT APPLY

Count	Respondent %	Response %		
896	47.01%	21.87%		Family support
910	47.74%	22.21%		Personal support
729	38.25%	17.79%		Student loan(s)
746	39.14%	18.21%		Academic scholarship(s)
31	1.63%	0.76%		Athletic scholarship(s)
527	27.65%	12.86%		Grant(s)
159	8.34%	3.88%		Employer reimbursement or tuition program
99	5.19%	2.42%		Other (please specify)
1906	Respondents			
4097	Responses			

Q85. What are the primary sources of funding for your living expenses (housing, food, travel, entertainment, etc.)? SELECT ALL THAT APPLY

Count	Respondent %	Response %		
1050	55.23%	31.32%		Family support
1144	60.18%	34.12%		Personal support
454	23.88%	13.54%		Student loan(s)
274	14.41%	8.17%		Academic scholarship(s)
23	1.21%	0.69%		Athletic scholarship(s)
264	13.89%	7.87%		Grant(s)
63	3.31%	1.88%		Employer reimbursement or tuition program
81	4.26%	2.42%		Other (please specify)
1901	Respondents			
3353	Responses			

Q86. Please feel free to provide any additional comments or suggestions regarding this survey. All comments will be shared with FAU's administration but none will be personally attributable to any individual student.

Count	Percent	
587	100.00%	
587	Respondents	

Exhibit C

Survey Demographic Comparison

Florida Atlantic University
Student Housing Market Study
Analysis of Survey Demographics vs. FAU Demographics

CATEGORY	SURVEY DEMOGRAPHICS			UNIVERSITY DEMOGRAPHICS *			Survey %- College %
	COUNT	TOTAL	%	COUNT	TOTAL	%	
Gender (Non Response: 358)							
Male	600	1,907	31.5%	11,044	27,091	40.8%	-9.3%
Female	1,307	1,907	68.5%	16,047	27,091	59.2%	9.3%
Ethnic Background (Non Response: 361)							
Asian	123	1,904	6.5%	1,448	27,078	5.3%	1.1%
Black	263	1,904	13.8%	4,873	27,078	18.0%	-4.2%
Hispanic	300	1,904	15.8%	5,169	27,078	19.1%	-3.3%
American Indian/Alaskan Native	11	1,904	0.6%	87	27,078	0.3%	0.3%
White	1,108	1,904	58.2%	15,289	27,078	56.5%	1.7%
Native Hawaiian or other Pacific Islander	8	1,904	0.4%	150	27,078	0.6%	-0.1%
Other	91	1,904	4.8%	62	27,078	0.2%	4.6%
Age (Non Response: 356)							
17 or under	9	1,909	0.5%	163	27,091	0.6%	-0.1%
18 - 19	391	1,909	20.5%	3,470	27,091	12.8%	7.7%
20 - 21	444	1,909	23.3%	4,641	27,091	17.1%	6.1%
22 - 24	432	1,909	22.6%	6,888	27,091	25.4%	-2.8%
25 - 29	282	1,909	14.8%	5,204	27,091	19.2%	-4.4%
30 or over	351	1,909	18.4%	6,725	27,091	24.8%	-6.4%
Academic Classification (Non Response: 354)							
Freshman	327	1,911	17.1%	4,336	27,091	16.0%	1.1%
Sophomore	280	1,911	14.7%	2,723	27,091	10.1%	4.6%
Junior	463	1,911	24.2%	4,838	27,091	17.9%	6.4%
Senior	469	1,911	24.5%	9,844	27,091	36.3%	-11.8%
2nd Baccalaureate	47	1,911	2.5%	793	27,091	2.9%	-0.5%
Graduate student	312	1,911	16.3%	4,557	27,091	16.8%	-0.5%
Other	13	1,911	0.7%	0	27,091	0.0%	0.7%
Enrollment Status (Non Response: 364)							
Full-time	1,587	1,901	83.5%	17,943	27,091	66.2%	17.3%
Part-time	316	1,901	16.6%	9,148	27,091	33.8%	-17.1%
Campus Living (Non Response: 364)							
Full-time on-campus	417	1,901	21.9%	2,269	27,091	8.4%	13.6%
Full-time off-campus	1,168	1,901	61.4%	15,674	27,091	57.9%	3.6%
Part-time on-campus	10	1,901	0.5%	62	27,091	0.2%	0.3%
Part-time off-campus	306	1,901	16.1%	9,086	27,091	33.5%	-17.4%

* Fall 2008 demographic data provided by Florida Atlantic University

**BOARD OF GOVERNORS
STATE UNIVERSITY SYSTEM OF FLORIDA**

**Estimated Project Fund Draw Schedule
Florida Atlantic University
Innovation Village Project**

Date	Estimated Draw
February 2010	27,013,598
March 2010	4,580,682
April 2010	4,595,185
May 2010	4,101,100
June 2010	5,856,987
July 2010	6,104,513
August 2010	6,819,051
September 2010	6,616,002
October 2010	6,857,727
November 2010	5,557,926
December 2010	4,955,549
January 2011	5,901,560
February 2011	4,745,732
March 2011	4,152,056
April 2011	3,687,945
May 2011	4,018,131
June 2011	2,191,187
July 2011	1,764,785
August 2011	<u>1,709,288</u>
Total Draws	<u><u>111,229,005</u></u>

**BOARD OF GOVERNORS
STATE UNIVERSITY SYSTEM OF FLORIDA**

**Estimated Sources and Uses of Funds
Florida Atlantic University
Innovation Village Project**

Sources of Funds

Par Amount - Senior Series A	\$ 126,685,000	Based on a fixed, tax-exempt interest rate of approximately 4.96%.
Par Amount - Junior Series B	\$ 3,365,000	Based on a fixed, tax-exempt interest rate of 7.33%.
Plus: Net Original Issue Premium	<u>\$ 3,529,458</u>	Estimated based on current market conditions.
Total Sources of Funds	<u><u>\$ 133,579,458</u></u>	

Basis for Amounts

Uses of Funds

Project Costs	\$ 111,229,005	Cost of planning, design, construction, furnishing, soft costs, contingencies and the upfront ground lease payment to FAU.
Deposit to Debt Service Reserve Fund	\$ 8,706,000	Calculated based on maximum annual debt service on the Series A bonds.
Deposit to Capitalized Interest Fund	\$ 12,060,891	Estimated interest on the Series A Bonds through February 1, 2012 at 4.96%.
Estimated Costs of Issuance	<u>\$ 1,583,563</u>	Estimated underwriting, legal, rating, bond printing and other issuance fees.
Total Uses of Funds	<u><u>\$ 133,579,458</u></u>	

**BOARD OF GOVERNORS
STATE UNIVERSITY SYSTEM OF FLORIDA**

**Estimated Debt Service Schedule
Florida Atlantic University
Innovation Village Project**

Period Ending	Series A ¹		Series B ²		Debt Service Reserve Fund ³	Capitalized Interest ⁴	Net Debt Service
	Principal	Interest	Principal	Interest			
7/1/2010	0	2,257,513	0	0	0	(2,257,513)	0
7/1/2011	0	6,450,038	0	0	0	(6,450,038)	0
7/1/2012	0	6,450,038	0	579,638	0	(3,762,522)	3,267,154
7/1/2013	2,255,000	6,450,038	55,000	246,655	(174,120)		8,832,572
7/1/2014	2,315,000	6,388,025	60,000	242,623	(174,120)		8,831,528
7/1/2015	2,390,000	6,312,788	65,000	238,225	(174,120)		8,831,893
7/1/2016	2,470,000	6,235,113	70,000	233,461	(174,120)		8,834,453
7/1/2017	2,575,000	6,130,138	75,000	228,330	(174,120)		8,834,347
7/1/2018	2,685,000	6,020,700	80,000	222,832	(174,120)		8,834,412
7/1/2019	2,825,000	5,879,738	85,000	216,968	(174,120)		8,832,586
7/1/2020	2,970,000	5,731,425	90,000	210,738	(174,120)		8,828,043
7/1/2021	3,130,000	5,575,500	95,000	204,141	(174,120)		8,830,521
7/1/2022	3,290,000	5,411,175	105,000	197,177	(174,120)		8,829,232
7/1/2023	3,465,000	5,238,450	110,000	189,481	(174,120)		8,828,811
7/1/2024	3,645,000	5,056,538	120,000	181,418	(174,120)		8,828,835
7/1/2025	3,840,000	4,865,175	130,000	172,622	(174,120)		8,833,677
7/1/2026	4,040,000	4,663,575	140,000	163,093	(174,120)		8,832,548
7/1/2027	4,250,000	4,451,475	150,000	152,831	(174,120)		8,830,186
7/1/2028	4,475,000	4,228,350	160,000	141,836	(174,120)		8,831,066
7/1/2029	4,710,000	3,993,413	170,000	130,108	(174,120)		8,829,400
7/1/2030	4,955,000	3,746,138	185,000	117,647	(174,120)		8,829,664
7/1/2031	5,220,000	3,486,000	200,000	104,086	(174,120)		8,835,966
7/1/2032	5,490,000	3,211,950	210,000	89,426	(174,120)		8,827,256
7/1/2033	5,780,000	2,923,725	225,000	74,033	(174,120)		8,828,638
7/1/2034	6,085,000	2,620,275	245,000	57,541	(174,120)		8,833,696
7/1/2035	6,405,000	2,300,813	260,000	39,582	(174,120)		8,831,275
7/1/2036	6,740,000	1,964,550	280,000	20,524	(174,120)		8,830,954
7/1/2037	7,090,000	1,610,700			(174,120)		8,526,580
7/1/2038	7,465,000	1,238,475			(174,120)		8,529,355
7/1/2039	7,855,000	846,563			(174,120)		8,527,443
7/1/2040	8,270,000	434,175			(8,880,120)		(175,945)
	126,685,000	132,172,563	3,365,000	4,455,009	(13,581,360)	(12,470,073)	240,626,140

¹ Calculated based on an assumed interest rate of approximately 4.96%

² Series B calculated based on an assumed interest rate of 7.33%. Interest on the Series B bonds accrues without penalty until the end of the capitalized interest period, at which point the accrued amounts are paid.

³ Based on an assumed investment rate of 2.00% and includes release of principal amount upon maturity.

⁴ Based on the Series A bonds only and an assumed interest rate of 4.96%

BOARD OF GOVERNORS
STATE UNIVERSITY SYSTEM OF FLORIDA
Summary of Assumptions for Financing Analysis and Five-Year Revenue Projection

Florida Atlantic University
Innovation Village Project

The following assumptions have been used in the development of the preliminary financing analysis and five-year revenue projection for the Project.

- I. SCOPE OF THE PROJECT:** As described in greater detail in the Project Summary, the Project includes the financing of two buildings containing approximately 376-units and 1,218-beds of new student housing to be located on the University's Boca Raton campus. The total development and construction budget for the Project (excluding reserve funds and financing costs) totals \$111,229,005. The construction contract will be a fixed price contract and the general contractor will provide full payment and performance bonds.

Construction of the Project is expected to commence in February 2010, with Project completion scheduled for August 2011. The Project will be constructed with a steel frame and concrete exterior and, as such, will have an estimated useful life of at least 40 years.

- II. BOND STRUCTURE:** Tax-exempt, fixed rate Series A Bonds will be issued to finance the project costs, a portion of the upfront ground lease payment to FAU, capitalized interest on the Series A Bonds, a deposit to the Series A Debt Service Reserve Fund and issuance costs associated with the Project. The Series A Bonds will have a term of approximately 32 years, will be fully amortizing and will be structured to produce level annual debt service after an initial two year minimal ramp up in principal.

The tax-exempt, fixed rate Junior Series B Bonds will be sold through a private placement to the Developers, the proceeds of which will be used to finance a portion of the upfront ground lease payment to FAU. The Junior Series B Bonds will have a term of approximately 26 years and are intended to be fully amortizing and structured to produce approximately level annual debt service, however, the payment of these bonds shall be made from surplus cash flow to the extent such surplus cash flow is available. As such, interest on the Junior Bonds accrues without penalty until the end of the capitalized interest period on the Series A Bonds, at which point the accrued amounts shall be paid.

- III. PROJECT CONSTRUCTION FUND / CONSTRUCTION DRAWS:** Series A Bonds proceeds will be deposited in the Project Construction Fund to pay the costs of developing and constructing the Project. Such funds will be drawn monthly to pay these costs, pursuant to the estimated construction draw schedule included herewith. While moneys are held in the Project Construction Fund, they will be invested; with such interest earnings remaining in the fund to pay project costs or other permitted expenditures, such as interest on the Series A Bonds. For



purposes of presenting a conservative analysis, the deposit to the Project Construction Fund has been gross funded, without a reduction credited for the estimated interest earnings.

- IV. CAPITALIZED INTEREST FUND:** Series A bond proceeds will be used to fund interest on the Series A Bonds for a period beginning upon the closing of the issue and extending through construction completion plus an additional six months. While moneys are held in the Capitalized Interest Fund, they will be invested, with such interest earnings remaining in the fund to pay interest on the bonds. For purposes of presenting a conservative analysis, the deposit to the Capitalized Interest Fund has been gross funded, without a reduction credited for the estimated interest earnings.
- V. DEBT SERVICE RESERVE FUND:** Series A bond proceeds will be used to fund a Debt Service Reserve Fund approximately equal to maximum annual debt service on the Series A Bonds. The Debt Service Reserve Fund will secure only the Series A Bonds. While moneys are held in the Debt Service Reserve Fund, they will be invested, the earnings of which will be transferred to the Capitalized Interest Fund during the capitalized interest period to reduce the bond size. Thereafter, earnings will be available to reduce the annual debt service on the bonds. Annual interest earnings on the Debt Service Reserve Fund are assumed at 2.00%.
- VI. ESTIMATED COSTS OF ISSUANCE:** For the purposes of this analysis, we have assumed financing costs due at closing will include issuance costs of approximately 1.25% of the par amount of the Series A Bonds, inclusive of underwriting fees¹. Actual costs of issuance may vary depending on the nature of the financing structure, including an evaluation whether bond insurance from Assured Guaranty provides a cost effective debt service structure.
- VII. ONGOING FEES:** Annual ongoing fees related to the financing that are included in the cash flow analysis include Rating Agency Fees of \$15,000 and a Trustee Fee of \$5,000.
- VIII. CLOSING DATE:** February 25, 2010
- IX. INTEREST RATES:** The preliminary financing analysis for the Series A Bonds is based on a debt service structure with an assumed credit rating in the "A" category, with serial and term bond maturities and interest rates ranging from 2.75% to 5.25%, which result in a calculated bond yield for arbitrage purposes of approximately 4.96%. These interest rates are based on prevailing market conditions as of the week of October 5, 2009 plus 25 basis points in order to account for changing market conditions. The preliminary financing analysis for the Series B Bonds is based on a nonrated transaction, with one term bond maturity and an interest rate of 7.33%. The interest rate on the Series B bonds will be revised, as needed, in order to comply with statutory limitations on the maximum interest rate permitted.

¹ Other costs of issuance are expected to include items such as legal fees, rating agency fees and printing fees.



In conjunction with the Series A Bonds, the finance team will evaluate whether credit enhancement, in the form of bond insurance from Assured Guaranty, or taxable Build America Bonds provide a more favorable cost of capital than "A" category tax-exempt bonds. Such structures would be employed only if meaningful debt service savings were achieved. Interest rate assumptions are subject to change based on market conditions at the time the bond issue goes to market.

X. PROJECT RENTAL ASSUMPTIONS: The revenue projections for the accompanying cash flow analysis are based on the assumption that the student housing facilities will be available only to students and other University-associated individuals, such as faculty, administrators and staff, as deemed appropriate by the University. Each bed will be offered on an individual contract basis pursuant to which students will enter into academic year contracts and can opt to pay in full at the beginning of the contract term, on a semester basis or in ten monthly installments. Summer term contracts will also be available. Rental rates include all utilities, including electricity, hot water, central heating and air conditioning, cable television, internet connectivity and basic telephone service. Detail of the proposed rental rates for the Project is included in the cash flow analysis presented herewith.

XI. CASH FLOW ASSUMPTIONS: The cash flow analysis is based on rent, vacancy and operating expense levels presented in the accompanying unit mix and cash flow schedules and has been derived from estimates provided by the Developers, University and Capstone On-Campus Management. Among these assumptions are the following:

- Unit Mix comprised of 376 units with 1,218 beds;
- Initial operating year covering the fall 2011 – spring 2012 academic term and a portion of the summer 2012 term;
- Assumed vacancy rate of 5% during an academic year contract term and 85% during the summer contract term;
- Annual escalations in revenues and operating expenses of 3%²;
- Annual funding of a deposit to a repair and replacement fund at a minimum of \$175 per bed;
- Annual operating expense estimates based on the Capstone On-Campus Management's experience with similar sized projects and the University's experience with its existing on-campus housing facilities;
- Assumptions related to the University's existing housing facilities, including vacancy, operating expenses, debt service payments and the funding of reserves were provided by the University, based on historic operations.

² Annual escalations in revenues and expenses are based on anticipated CPI adjustments. Given the approximately level debt service structure modeled, so long as annual changes in revenues are at least equal to increases in expenses, the Project will achieve the minimum projected 1.20x debt service coverage ratio.



FLORIDA ATLANTIC UNIVERSITY
HOUSING
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2005

Our discussion and analysis of Florida Atlantic University's Housing Division's ("Housing") financial performance provides an overview of the financial activities for the fiscal year ended June 30, 2005. Please read it in conjunction with the Housing's financial statements.

Operating revenues increased by 12 percent and operating expenses increased by 25% when compared to the prior fiscal year. One reason for the increase in operating revenues was the close to full occupancy of the newly constructed 600 bed dorm. The primary reason for the increase in operating expenses was the increase in depreciation expense and the non-cash loss associated with the disposal of fixed assets. Additionally, utilities and repairs and maintenance associated with the housing facilities increased.

The Statement of Net Assets and Statement of Revenues, Expenses and Changes in Net Assets report Housing's net assets and changes in net assets, respectively. An analysis and review of Housing's net assets - the difference between assets and liabilities - is one way to measure the financial health, or financial position of the Division. Over time, increases or decreases in Housing's net assets are one indicator of whether its financial health is improving or deteriorating. We believe that the financial position of Housing is healthy. The University's management, which oversees Housing operations, has insured its financial strength through comprehensive and strategic planning for the next several years.

In the Fall 2004 semester, the university opened its new Heritage Park residence hall. During the fiscal year, the usage of the residence hall was at 99%. This is an indicator of both the student demand for housing and the university's commitment to accommodate the student body's needs. University management is confident that the continued demand along with competitive housing rates and continued monitoring of expenditures will generate adequate cash flow to meet the annual debt service requirements of Housing.

In the University's planning process for Housing issues, management put into place the appropriate housing fee to assure that revenues are adequate for the housing area.

This Management Discussion and Analysis related to the financial information are designed to provide a general overview of Housing's financial condition. If you have questions about this report or need additional financial information, contact Ms. Stacey Medeiros CPA, CBM, Master of Accounting, University Controller, Florida Atlantic University, 777 Glades Road, Boca Raton, Florida, (561) 297-3102.

**Florida Atlantic University
Housing
Statement of Net Assets
As of June 30, 2005**

Assets

Current Assets:

Cash	\$ 673,871.05	
Investments	7,570,774.39	
Adjustment to Fair Market Value	36,218.03	
Accounts Receivable (Net)	92,956.45	
Interest Receivable	25,341.09	
	\$ 8,399,161.01	

Capital Assets:

Buildings	\$ 59,738,952.79	
Accumulated Depreciation	(5,645,368.76)	
	54,093,584.03	

Total Assets

\$62,492,745.04

Liabilities

Current Liabilities:

Accounts Payable	\$ 679.00	
Accrued Salaries	54,490.82	
Deferred Revenue	66,313.51	
	\$ 121,483.33	

Long Term Liabilities: Bonds Payable

\$ 56,538,500.00 56,538,500.00

Total Liabilities

\$56,659,983.33

Net Assets

Unrestricted	\$ 8,277,677.68	
Invested in Capital Assets, Net of Related Debt	(2,444,915.97)	

Total Net Assets

\$ 5,832,761.71

Total Liabilities And Net Assets

\$62,492,745.04

Florida Atlantic University
Housing
Statement of Revenues, Expenses, and Changes in Net Assets
For the Year Ended June 30, 2005

Operating Revenues

Housing Fees	\$ 9,203,741.63
Rental Income	720.00
Repairs & Maintenance	70,298.21
Total Operating Revenues	\$ 9,274,759.84

Operating Expenses

Salaries And Benefits	\$ 1,683,296.09
Other Personal Services	173,062.65
Contractual Services	123,548.67
Telecommunication	282,383.69
Freight And Postage	7,801.30
Printing	26,594.43
Repairs And Maintenance	422,432.92
Travel	28,850.70
Utilities	928,263.18
Depreciation Expense	1,217,260.77
Loss on Disposal of Fixed Assets	234,887.47
Moving Expenses	8,411.72
Materials & Supplies	193,063.37
Insurance	28,165.13
Other expense	79,574.72
Total Operating Expenses	5,437,596.81

Operating Income / (Loss) \$ 3,837,163.03

Nonoperating Revenues/ (Expenses)

Interest Income	\$ 710,984.83
Net Nonoperating Revenues / (Expense)	710,984.83

Income/(Loss) Before Transfers \$ 4,548,147.86

Transfers In/Out

Debt Service - Interest	\$ (2,656,433.67)
Transfers In / (Out)	(760,013.23)
Administrative Overhead	(281,529.77)
Total Transfers In / (Out)	\$ (3,697,976.67)

Change in Net Assets	\$ 850,171.19
Total Net Assets - Beginning	4,982,590.52
Total Net Assets - Ending	\$ 5,832,761.71

**Florida Atlantic University
Housing
Statement of Cash Flows
For the Year Ended June 30, 2005**

Cash Flow From Operating Activities

Receipts From Customers	\$ 9,274,759.84
Payments to Suppliers	(2,125,172.40)
Payments to Employees	<u>(1,856,358.74)</u>

Net Cash Provided By Operating Activities \$ 5,293,228.70

Cash Flows From Capital and Related Financing Activities

Interest Paid On Capital Debt	\$ (2,656,433.67)
Principal Paid On Capital Debt	<u>(1,565,000.00)</u>

Net Cash (Used) By Capital and Related Financing Activities (4,221,433.67)

Cash Flows From Noncapital Financing Activities

Transfers In / Out	\$ (1,118,901.12)
Administrative Overhead Transfers	<u>281,529.77</u>

Net Cash (Used) By Noncapital Financing Activities (837,371.35)

Cash Flow From Investing Activities

Purchases of Investments	\$ (3,014,162.21)
Interest and Dividends	<u>710,984.83</u>

Net cash (used) by investing activities (2,303,177.38)

Net (decrease) in cash \$ (2,068,753.70)

Balance - Beginning of Year 2,742,624.75

Balance - End of Year \$ 673,871.05

Reconciliation of Operating Income / (Loss) To Net Cash
Provided By Operating Activities

Operating Income	\$ 3,837,163.03
Add:	
Depreciation Expense	1,217,260.77
Loss on disposal of Capital Assets	234,887.47

Change in Assets / Liabilities	
Receivables, net	276,727.75
Prepaid Items	(300,180.69)
Accrued Salaries	(34,341.08)
Accounts Payable	(4,602.06)
Deferred revenue	<u>66,313.51</u>

Net Cash provided By Operating Activities \$ 5,293,228.70

**FLORIDA ATLANTIC UNIVERSITY
HOUSING
NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2005

To enhance the usefulness of the financial statements, the significant accounting policies followed by the housing Division of Florida Atlantic University (“University”) are described below.

REPORTING ENTITY

Florida Atlantic University is a separate public instrumentality that is part of a state university system of public universities. A constitutional amendment effective January 7, 2004 created a Board of Governors to be responsible for the management of the state university system. A separate Board of Trustees administers each university.

Florida Atlantic University Board of Trustees consists of 13 members. The Governor appoints six citizen members and the Board of Governors appoints five citizen members. These members are confirmed by the Florida Senate and serve staggered terms of five years. The chair of the faculty senate and the president of the student body of each university also are members. The Board of Governors establishes the powers and duties of the Trustees. The trustees are responsible for setting policies for the university, which provides governance in accordance with Florida law and rules of the State Board of Education and the Board of Governors. The Board of trustees selects the university President and the State board of Education must ratify the candidate selected. The university president serves as the executive officer and the corporate secretary of the Trustees and is responsible for administering the policies prescribed by the Board of Trustees.

Criteria for defining the reporting entity are identified and described in the Governmental Accounting Standards Board’s (GASB) Codification of Governmental Accounting and Financial Reporting Standards, Sections 2100 and 2600. Application of these criteria determines potential component units for which the primary government is financially accountable and other organizations for which the nature and significance of their

**FLORIDA ATLANTIC UNIVERSITY
HOUSING
NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2005

relationship with the primary government are such that exclusions would cause the primary government's financial statements to be misleading or incomplete. Based on the application of these criteria the university is a component of the State of Florida and its financial balances and activities included in these financial statements are reported on the State's Comprehensive Annual financial Report by discrete presentation.

BASIS OF PRESENTATION

The University's accounting policies conform with generally accepted accounting principles applicable to colleges and universities as prescribed by the Governmental Accounting Standards Board (GASB). The National Association of College and University Business Officers (NACUBO) also provides the University with recommendations prescribed in accordance with generally accepted accounting principles promulgated by GASB and the Financial Accounting Standards Board (FASB).

In November 1999, GASB issued Statement No. 35 "Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities". This Statement includes public colleges and universities within the financial reporting guidelines of GASB Statement No. 34 "Basic Financial Statements and Management Discussion and Analysis for State and Local Governments." GASB Statement No. 35 allows public colleges and universities the option of reporting as a special-purpose government either engaged in only business-type activities, engaged in only governmental activities, or engaged in both governmental and business-type activities. The universities of the state university system, including Florida Atlantic University, elected to report as entities engaged in only business-type activities. This election requires the adoption of the accrual basis of accounting and entity-wide reporting including the following components:

- Management's Discussion and Analysis (MD&A)
- Basic Financial Statements:

**FLORIDA ATLANTIC UNIVERSITY
HOUSING
NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2005

- Statement of Net Assets
- Statement of Revenues, Expenses, and Changes in Net Assets
- Statement of Cash Flows
- Notes to Financial Statements
- Required Supplementary Information (RSI) Other Than MD&A

BASIS OF ACCOUNTING

Basis of accounting refers to when revenues, expenses, and related assets and liabilities are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the measurement focus applied. University's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange activities are generally recognized when all applicable eligibility requirements, include time requirements, are met. Auxiliary service departments account for interdepartmental transactions as reductions of expenditures and not revenues of those departments.

The University's principal operating activities consist of instruction, research and public service. Operating revenues and expenses generally include all fiscal transactions directly related to these activities plus administration, operation and maintenance of capital assets, and depreciation on capital assets. Included in nonoperating revenues are State appropriations, investment income and revenues for capital construction projects. Interest on asset-related debts is a nonoperating expense.

**FLORIDA ATLANTIC UNIVERSITY
HOUSING
NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2005

The University follows FASB statements and interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

CASH AND CASH EQUIVALENTS

The amount reported as cash and cash equivalents consist of cash on hand and cash in demand accounts. Cash set aside to make debt service payments, maintain sinking fund reserves, and to purchase or construct capital assets is classified as restricted. Banks qualified as public depositories under Florida law hold cash deposits of the University. Cash in demand accounts is held in banks qualified in accordance with the provisions of Chapter 280, Florida Statutes, as a public depository. Deposits are fully insured by Federal depository insurance or collateralized with securities held in Florida's multiple financial institution collateral pool required by Chapter 280, Florida Statutes.

CAPITAL ASSETS

Capital Assets consist of buildings that are capitalized and recorded at cost at the date of acquisition. Additions, improvements, and other outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation is computed on the straight-line basis over the estimated useful life of the related assets

INVESTMENTS

Section 1011.42(5), Florida Statutes, authorizes universities to invest funds awaiting clearing with the State Treasury and State Board of Administration, and requires that universities comply with the statutory requirements governing investment of public funds by local governments. Accordingly, universities are subject to the requirements of

**FLORIDA ATLANTIC UNIVERSITY
HOUSING
NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2005

Chapter 218, Part IV, Florida Statutes. Pursuant to Section 218.415(16), Florida Statutes, the University is authorized to invest in the Local Government Surplus Funds Trust Fund investment pool administered by the State Board of Administration; interest-bearing time deposits and savings accounts in qualified public depositories, as defined in Section 280.02, Florida Statutes; direct obligations of the United States Government; obligations of Federal agencies and instrumentalities; securities of, or interests in, certain open-end or closed-end management type investment companies; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency. Section 17.61(1), Florida Statutes, also provides for University funds to be invested with the State Treasury.

ACCOUNTS RECEIVABLE

Accounts receivable reported in the Statement of Net Assets represent amounts due from students for services provided by the Housing division. Accounts Receivable over one year old are considered as doubtful accounts. That amount as of June 30, 2005 was \$92,956.

LONG-TERM LIABILITES

Long term liabilities include bonds and for the fiscal year ended June 30, 2005, the debt related to student housing is reported on the statement of net assets.

FLORIDA ATLANTIC UNIVERSITY
HOUSING
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2006

Our discussion and analysis of Florida Atlantic University's Housing Division's ("Housing") financial performance provides an overview of the financial activities for the fiscal year ended June 30, 2006. Please read it in conjunction with the Housing's financial statements.

Operating revenues increased by 8 percent and operating expenses increased by 18% when compared to the prior fiscal year. One reason for the increase in operating revenues was the close to full occupancy of all dorms that were in operation during the fiscal year. Housing fee revenues would have been higher if a 362 bed dorm that is in the process of being replaced was in operation during the fiscal year. The primary reason for the increase in operating expenses was the increase in utilities and repairs and maintenance. Additionally, the increase in operating expense was due in part with the non-cash loss associated with the disposal of dorm that is being replaced.

The Statement of Net Assets and Statement of Revenues, Expenses and Changes in Net Assets report Housing's net assets and changes in net assets, respectively. An analysis and review of Housing's net assets - the difference between assets and liabilities - is one way to measure the financial health, or financial position of the Division. Over time, increases or decreases in Housing's net assets are one indicator of whether its financial health is improving or deteriorating. We believe that the financial position of Housing is healthy. The University's management, which oversees Housing operations, has insured its financial strength through comprehensive and strategic planning for the next several years.

On August 17, 2006, the University received the net proceeds from the issuance of \$27.6 million State of Florida, Board of Governors Florida Atlantic University Housing Revenue Bonds. These proceeds are currently being used to construct a 600 bed residence that is expected to be operational by the Fall 2007 semester at full occupancy. This is an indicator of both the student demand for housing and the university's commitment to accommodate the student body's needs. University management is confident that the continued demand along with competitive housing rates and continued monitoring of expenditures will generate adequate cash flow to meet the annual debt service requirements of Housing.

In the University's planning process for Housing issues, management put into place the appropriate housing fee to assure that revenues are adequate for the housing area.

**FLORIDA ATLANTIC UNIVERSITY
HOUSING
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2006**

This Management Discussion and Analysis related to the financial information are designed to provide a general overview of Housing's financial condition. If you have questions about this report or need additional financial information, contact Ms. Stacey Medeiros CPA, CBM, Master of Accounting, University Controller, Florida Atlantic University, 777 Glades Road, Boca Raton, Florida, (561) 297-3102.

**Florida Atlantic University
Housing
Statement of Net Assets
As of June 30, 2006**

Assets

Current Assets:

Cash	\$ 4,210,457.94	
Investments	4,898,278.95	
Adjustment to Fair Market Value	(87,679.19)	
Accounts Receivable (Net)	52,461.36	
Prepaid Items	300,711.94	
Interest Receivable	<u>15,560.96</u>	
		\$ 9,389,791.96

Capital Assets:

Buildings	\$ 58,057,759.27	
Furniture and Equipment	382,158.00	
Accumulated Depreciation	<u>(5,965,341.82)</u>	
		\$ 52,474,575.45

Total Assets

\$ 61,864,367.41

Liabilities

Current Liabilities:

Accounts Payable	\$ 145,049.18	
Deferred Revenue	<u>363,727.30</u>	
		\$ 508,776.48

Long Term Liabilities:

Bonds Payable	<u>\$ 54,920,176.00</u>	<u>54,920,176.00</u>
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Total Liabilities

\$ 55,428,952.48

Net Assets

Unrestricted	\$ 8,881,015.48	
Invested in Capital Assets, net of Related Debt	<u>(2,445,600.55)</u>	

Total Net Assets

\$ 6,435,414.93

Total Liabilities And Net Assets

\$ 61,864,367.41

Florida Atlantic University
Housing
Statement Of Revenues, Expenses, and Changes in Net Assets
For the Year Ended June 30, 2006

Operating Revenues

Housing Fees	\$ 9,983,278.00	
Rental Income	14,504.00	
Repairs & Maintenance	97,020.00	
Total Operating Revenues		\$ 10,094,802.00

Operating Expenses

Salaries And Benefits	\$ 1,744,328.00	
Other Personal Services	194,320.00	
Contractual Services	24,380.00	
Telecommunication	291,638.00	
Freight And Postage	2,825.00	
Printing	27,686.00	
Repairs And Maintenance	1,118,113.00	
Travel	41,059.00	
Utilities	1,110,306.00	
Depreciation Expense	1,208,854.80	
Loss on Disposal of Fixed Assets	439,911.98	
Moving Expenses	7,434.00	
Materials & Supplies	337,114.00	
Insurance	20,676.00	
Other expense	85,058.00	
Total Operating Expenses		\$ 6,653,703.78

Operating Income / (Loss) \$ 3,441,098.22

Nonoperating Revenues/ (Expenses)

Interest Income	\$ 101,157.00	
Net Nonoperating Revenues / (Expenses)		101,157.00

Income/(Loss) Before Transfers \$ 3,542,255.22

Transfers In/Out

Debt Service - Interest	\$ (2,594,774.00)	
Transfers In / (Out)	(205.00)	
Administrative Overhead	(344,623.00)	
Total Transfers In / (Out)		\$ (2,939,602.00)

Change in Net Assets		602,653.22
Total Net Assets - Beginning		\$ 5,832,761.71
Total Net Assets - Ending		\$ 6,435,414.93

**Florida Atlantic University
Housing
Statement of Cash Flows
For the Year Ended June 30, 2006**

<u>Cash Flow From Operating Activities</u>		
Receipts From Customers	\$ 10,094,802.00	
Payments to Suppliers	(3,066,289.00)	
Payments to Employees	<u>(1,938,648.00)</u>	
Net Cash Provided By Operating Activities		\$ 5,089,865.00
<u>Cash Flows From Capital and Related Financing Activities</u>		
Interest Paid On Capital Debt	\$ (2,594,774.00)	
Purchase of Capital Assets	(382,158.00)	
Principal Paid On Capital Debt	<u>(1,618,324.00)</u>	
Net Cash (Used) By Capital and Related Financing Activities		\$ (4,595,256.00)
<u>Cash Flows From Noncapital Financing Activities</u>		
Transfers In / Out	\$ (205.00)	
Administrative Overhead Transfers	<u>(344,623.00)</u>	
Net Cash (Used) By Noncapital Financing Activities		\$ (344,828.00)
<u>Cash Flow From Investing Activities</u>		
Purchases of Investments	2,321,845.30	
Interest and Dividends	<u>\$ 101,157.00</u>	
Net Cash From Investing Activities		<u>\$ 2,423,002.30</u>
Net (decrease) in cash		\$ 2,572,783.30
Balance - Beginning of Year		<u>1,637,674.64</u>
Balance - End of Year		<u><u>\$ 4,210,457.94</u></u>
Reconciliation of Operating Income / (Loss) To Net Cash Provided By Operating Activities		
Operating Income	\$ 3,441,098.22	
Add:		
Depreciation Expense	1,208,854.80	
Loss on Disposal of Capital Assets	439,911.98	
Change in Assets / Liabilities		
Receivables, net	(75,399.82)	
Prepaid Items	(531.25)	
Accrued Salaries	(57,349.19)	
Accounts Payable	(164,133.53)	
Deferred revenue	<u>297,413.79</u>	
Net Cash provided By Operating Activities		<u><u>\$ 5,089,865.00</u></u>

**FLORIDA ATLANTIC UNIVERSITY
HOUSING
NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2006

To enhance the usefulness of the financial statements, the significant accounting policies followed by the housing Division of Florida Atlantic University (“University”) are described below.

REPORTING ENTITY

Florida Atlantic University is a separate public instrumentality that is part of a state university system of public universities. A constitutional amendment effective January 7, 2004 created a Board of Governors to be responsible for the management of the state university system. A separate Board of Trustees administers each university.

Florida Atlantic University Board of Trustees consists of 13 members. The Governor appoints six citizen members and the Board of Governors appoints five citizen members. These members are confirmed by the Florida Senate and serve staggered terms of five years. The chair of the faculty senate and the president of the student body of each university also are members. The Board of Governors establishes the powers and duties of the Trustees. The trustees are responsible for setting policies for the university, which provides governance in accordance with Florida law and rules of the State Board of Education and the Board of Governors. The Board of trustees selects the university President and the State board of Education must ratify the candidate selected. The university president serves as the executive officer and the corporate secretary of the Trustees and is responsible for administering the policies prescribed by the Board of Trustees.

Criteria for defining the reporting entity are identified and described in the Governmental Accounting Standards Board’s (GASB) Codification of Governmental Accounting and Financial Reporting Standards, Sections 2100 and 2600. Application of these criteria determines potential component units for which the primary government is financially accountable and other organizations for which the nature and significance of their

**FLORIDA ATLANTIC UNIVERSITY
HOUSING
NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2006

relationship with the primary government are such that exclusions would cause the primary government's financial statements to be misleading or incomplete. Based on the application of these criteria the university is a component of the State of Florida and its financial balances and activities included in these financial statements are reported on the State's Comprehensive Annual financial Report by discrete presentation.

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The University's accounting policies conform with generally accepted accounting principles applicable to colleges and universities as prescribed by the Governmental Accounting Standards Board (GASB). The National Association of College and University Business Officers (NACUBO) also provides the University with recommendations prescribed in accordance with generally accepted accounting principles promulgated by GASB and the Financial Accounting Standards Board (FASB).

In November 1999, GASB issued Statement No. 35 "Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities". This Statement includes public colleges and universities within the financial reporting guidelines of GASB Statement No. 34 "Basic Financial Statements and Management Discussion and Analysis for State and Local Governments." GASB Statement No. 35 allows public colleges and universities the option of reporting as a special-purpose government either engaged in only business-type activities, engaged in only governmental activities, or engaged in both governmental and business-type activities. The universities of the state university system, including Florida Atlantic University, elected to report as entities engaged in only business-type activities. This election requires the adoption of the accrual basis of accounting and entity-wide reporting including the following components:

- Management's Discussion and Analysis (MD&A)
- Basic Financial Statements:

**FLORIDA ATLANTIC UNIVERSITY
HOUSING
NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2006

- Statement of Net Assets
- Statement of Revenues, Expenses, and Changes in Net Assets
- Statement of Cash Flows
- Notes to Financial Statements
- Required Supplementary Information (RSI) Other Than MD&A

BASIS OF ACCOUNTING

Basis of accounting refers to when revenues, expenses, and related assets and liabilities are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the measurement focus applied. University's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange activities are generally recognized when all applicable eligibility requirements, include time requirements, are met. Auxiliary service departments account for interdepartmental transactions as reductions of expenditures and not revenues of those departments.

The University's principal operating activities consist of instruction, research and public service. Operating revenues and expenses generally include all fiscal transactions directly related to these activities plus administration, operation and maintenance of capital assets, and depreciation on capital assets. Included in nonoperating revenues are State appropriations, investment income and revenues for capital construction projects. Interest on asset-related debts is a nonoperating expense.

**FLORIDA ATLANTIC UNIVERSITY
HOUSING
NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2006

The University follows FASB statements and interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

CASH AND CASH EQUIVALENTS

The amount reported as cash and cash equivalents consist of cash on hand and cash in demand accounts. Cash set aside to make debt service payments, maintain sinking fund reserves, and to purchase or construct capital assets is classified as restricted. Banks qualified as public depositories under Florida law hold cash deposits of the University. Cash in demand accounts is held in banks qualified in accordance with the provisions of Chapter 280, Florida Statutes, as a public depository. Deposits are fully insured by Federal depository insurance or collateralized with securities held in Florida's multiple financial institution collateral pool required by Chapter 280, Florida Statutes.

CAPITAL ASSETS

Capital Assets consist of buildings that are capitalized and recorded at cost at the date of acquisition. Additions, improvements, and other outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation is computed on the straight-line basis over the estimated useful life of the related assets

INVESTMENTS

Section 1011.42(5), Florida Statutes, authorizes universities to invest funds awaiting clearing with the State Treasury and State Board of Administration, and requires that universities comply with the statutory requirements governing investment of public funds by local governments. Accordingly, universities are subject to the requirements of

**FLORIDA ATLANTIC UNIVERSITY
HOUSING
NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2006

Chapter 218, Part IV, Florida Statutes. Pursuant to Section 218.415(16), Florida Statutes, the University is authorized to invest in the Local Government Surplus Funds Trust Fund investment pool administered by the State Board of Administration; interest-bearing time deposits and savings accounts in qualified public depositories, as defined in Section 280.02, Florida Statutes; direct obligations of the United States Government; obligations of Federal agencies and instrumentalities; securities of, or interests in, certain open-end or closed-end management type investment companies; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency. Section 17.61(1), Florida Statutes, also provides for University funds to be invested with the State Treasury.

ACCOUNTS RECEIVABLE

Accounts receivable reported in the Statement of Net Assets represent amounts due from students for services provided by the Housing division. Accounts Receivable over one year old are considered as doubtful accounts. That amount as of June 30, 2006 was \$52,461.36.

LONG-TERM LIABILITES

Long term liabilities include bonds and for the fiscal year ended June 30, 2006, the debt related to student housing is reported on the statement of net assets.



Housing Financial Statements
June 30, 2007

**Florida Atlantic University
Housing System
Statement of Net Assets
As of June 30, 2007**

Assets

Current Assets:

Cash	\$ 5,896,743.01	
Investments	4,225,450.43	
Adjustment to Fair Market Value	(60,254.92)	
Accounts Receivable (Net)	321,418.98	
Deferred Fiscal Charges	<u>1,719,824.00</u>	
		\$ 12,103,181.50

Capital Assets:

Buildings	58,598,825.38	
Furniture and Equipment	665,450.31	
Accumulated Depreciation	<u>(7,248,778.11)</u>	
		<u>\$ 52,015,497.58</u>

Total Assets

\$ 64,118,679.08

Liabilities

Current Liabilities:

Accounts Payable	\$ 197,408.51	
Deferred Revenue	<u>593,262.93</u>	
		\$ 790,671.44

Long Term Liabilities: Bonds Payable

\$ 54,660,000.00
\$ 54,660,000.00

Total Liabilities

\$ 55,450,671.44

Net Assets

Unrestricted	\$ 11,312,510.06	
Invested in Capital Assets, net of Related Debt	<u>(2,644,502.42)</u>	
Total Net Assets		<u>\$ 8,668,007.64</u>

Total Liabilities And Net Assets

\$ 64,118,679.08

**Florida Atlantic University
Housing System
Statement of Cash Flows
For the Year Ended June 30, 2007**

<u>Cash Flow From Operating Activities</u>		
Receipts From Customers	\$ 10,961,792.00	
Payments to Suppliers	(3,145,886.41)	
Payments to Employees	(1,985,298.00)	
	<hr/>	
Net Cash Provided By Operating Activities		\$ 5,830,607.59
<u>Cash Flows From Capital and Related Financing Activities</u>		
Interest Paid On Capital Debt	\$ (2,086,796.00)	
Purchase of Capital Assets	(520,047.00)	
Principal Paid On Capital Debt	(1,980,000.00)	
	<hr/>	
Net Cash (Used) By Capital and Related Financing Activities		\$ (4,586,843.00)
<u>Cash Flows From Noncapital Financing Activities</u>		
Administrative Overhead Transfers	\$ (424,358.00)	
	<hr/>	
Net Cash (Used) By Noncapital Financing Activities		\$ (424,358.00)
<u>Cash Flow From Investing Activities</u>		
Sale of Investments	\$ 554,871.48	
Interest and Dividends	312,007.00	
	<hr/>	
Net Cash From Investing Activities		\$ 866,878.48
Net increase/(decrease) in cash		\$ 1,686,285.07
Balance - Beginning of Year		4,210,457.94
Balance - End of Year		<hr/> <hr/>
		\$ 5,896,743.01
Reconciliation of Operating Income / (Loss) To Net Cash Provided By Operating Activities		
Operating Income	\$ 4,431,739.71	
Add:		
Depreciation Expense	1,283,436.29	
Change in Assets / Liabilities		
Receivables, net	(238,161.21)	
Accounts Payable	(52,359.34)	
Deferred revenue	405,952.14	
	<hr/>	
Net Cash provided By Operating Activities		<hr/> <hr/>
		\$ 5,830,607.59

FLORIDA ATLANTIC UNIVERSITY
HOUSING
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2007

Our discussion and analysis of Florida Atlantic University's Housing Division's ("Housing") financial performance provides an overview of the financial activities for the fiscal year ended June 30, 2007. Please read it in conjunction with the Housing's financial statements.

Operating revenues increased by 9% and operating expenses decreased by 1.9% when compared to the prior fiscal year. The increase in operating revenues was due to rate increases which averaged 3% for double rooms and 5% for single rooms with an annual average occupancy of 96% which was higher than budgeted.

The Statement of Net Assets and Statement of Revenues, Expenses and Changes in Net Assets report Housing's net assets and changes in net assets, respectively. An analysis and review of Housing's net assets - the difference between assets and liabilities - is one way to measure the financial health, or financial position of the Division. Over time, increases or decreases in Housing's net assets are one indicator of whether its financial health is improving or deteriorating. We believe that the financial position of Housing is healthy. The University's management, which oversees Housing operations, has insured its financial strength through comprehensive and strategic planning for the next several years.

On August 17, 2006, the University received the net proceeds from the issuance of \$27.6 million State of Florida, Board of Governors Florida Atlantic University Housing Revenue Bonds. These proceeds were used to construct a 600 bed residence that opened Fall 2007 semester at full occupancy. This is an indicator of both the student demand for housing and the university's commitment to accommodate the student body's needs. University management is confident that the continued demand along with competitive housing rates and continued monitoring of expenditures will generate adequate cash flow to meet the annual debt service requirements of Housing.

In the University's planning process for Housing issues, management put into place the appropriate housing fee to assure that revenues are adequate for the housing area.

This Management Discussion and Analysis related to the financial information are designed to provide a general overview of Housing's financial condition. If you have questions about this report or need additional financial information, contact Ms. Stacey Semmel CPA, CBM, Master of Accounting, Assistant Vice President for Financial Affairs and University Controller, Florida Atlantic University, 777 Glades Road, Boca Raton, Florida, (561) 297-3102.

**FLORIDA ATLANTIC UNIVERSITY
HOUSING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007**

To enhance the usefulness of the financial statements, the significant accounting policies followed by the housing Division of Florida Atlantic University (“University”) are described below.

REPORTING ENTITY

Florida Atlantic University is a separate public instrumentality that is part of a state university system of public universities. A constitutional amendment effective January 7, 2004 created a Board of Governors to be responsible for the management of the state university system. A separate Board of Trustees administers each university.

Florida Atlantic University Board of Trustees consists of 13 members. The Governor appoints six citizen members and the Board of Governors appoints five citizen members. These members are confirmed by the Florida Senate and serve staggered terms of five years. The chair of the faculty senate and the president of the student body of each university also are members. The Board of Governors establishes the powers and duties of the Trustees. The trustees are responsible for setting policies for the university, which provides governance in accordance with Florida law and rules of the State Board of Education and the Board of Governors. The Board of trustees selects the university President and the State board of Education must ratify the candidate selected. The university president serves as the executive officer and the corporate secretary of the Trustees and is responsible for administering the policies prescribed by the Board of Trustees.

Criteria for defining the reporting entity are identified and described in the Governmental Accounting Standards Board’s (GASB) Codification of Governmental Accounting and Financial Reporting Standards, Sections 2100 and 2600. Application of these criteria determines potential component units for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusions would cause the primary government’s financial statements to be misleading or incomplete. Based on the application of these criteria the university is a component of the State of Florida and its financial balances and activities included in these

**FLORIDA ATLANTIC UNIVERSITY
HOUSING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007**

financial statements are reported on the State's Comprehensive Annual financial Report by discrete presentation.

BASIS OF PRESENTATION

The University's accounting policies conform with generally accepted accounting principles applicable to colleges and universities as prescribed by the Governmental Accounting Standards Board (GASB). The National Association of College and University Business Officers (NACUBO) also provides the University with recommendations prescribed in accordance with generally accepted accounting principles promulgated by GASB and the Financial Accounting Standards Board (FASB).

In November 1999, GASB issued Statement No. 35 "Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities". This Statement includes public colleges and universities within the financial reporting guidelines of GASB Statement No. 34 "Basic Financial Statements and Management Discussion and Analysis for State and Local Governments." GASB Statement No. 35 allows public colleges and universities the option of reporting as a special-purpose government either engaged in only business-type activities, engaged in only governmental activities, or engaged in both governmental and business-type activities. The universities of the state university system, including Florida Atlantic University, elected to report as entities engaged in only business-type activities. This election requires the adoption of the accrual basis of accounting and entity-wide reporting including the following components:

- Management's Discussion and Analysis (MD&A)
- Basic Financial Statements:
 - Statement of Net Assets
 - Statement of Revenues, Expenses, and Changes in Net Assets
 - Statement of Cash Flows
- Notes to Financial Statements
- Required Supplementary Information (RSI) Other Than MD&A

**FLORIDA ATLANTIC UNIVERSITY
HOUSING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007**

BASIS OF ACCOUNTING

Basis of accounting refers to when revenues, expenses, and related assets and liabilities are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the measurement focus applied. University's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange activities are generally recognized when all applicable eligibility requirements, include time requirements, are met. Auxiliary service departments account for interdepartmental transactions as reductions of expenditures and not revenues of those departments.

The University's principal operating activities consist of instruction, research and public service. Operating revenues and expenses generally include all fiscal transactions directly related to these activities plus administration, operation and maintenance of capital assets, and depreciation on capital assets. Included in nonoperating revenues are State appropriations, investment income and revenues for capital construction projects. Interest on asset-related debts is a nonoperating expense.

The University follows FASB statements and interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

CASH AND CASH EQUIVALENTS

The amount reported as cash and cash equivalents consist of cash on hand and cash in demand accounts. Cash set aside to make debt service payments, maintain sinking fund reserves, and to purchase or construct capital assets is classified as restricted. Banks qualified as public depositories under Florida law hold cash deposits of the University. Cash in demand accounts is held in banks qualified in accordance with the provisions of Chapter 280, Florida Statutes, as a public depository. Deposits are fully insured by Federal depository insurance or collateralized

**FLORIDA ATLANTIC UNIVERSITY
HOUSING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007**

with securities held in Florida's multiple financial institution collateral pool required by Chapter 280, Florida Statutes.

INVESTMENTS

Section 1011.42(5), Florida Statutes, authorizes universities to invest funds awaiting clearing with the State Treasury and State Board of Administration, and requires that universities comply with the statutory requirements governing investment of public funds by local governments. Accordingly, universities are subject to the requirements of Chapter 218, Part IV, Florida Statutes. Pursuant to Section 218.415(16), Florida Statutes, the University is authorized to invest in the Local Government Surplus Funds Trust Fund investment pool administered by the State Board of Administration; interest-bearing time deposits and savings accounts in qualified public depositories, as defined in Section 280.02, Florida Statutes; direct obligations of the United States Government; obligations of Federal agencies and instrumentalities; securities of, or interests in, certain open-end or closed-end management type investment companies; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency. Section 17.61(1), Florida Statutes, also provides for University funds to be invested with the State Treasury. The University's investments at June 30, 2007, are reported at fair value, as follows.

External Investment Pools

The University reported investments at fair value totaling \$80,395,756 at June 30, 2007, in the State Treasury Special Purpose Investment Account (SPIA) investment pool, representing ownership of a share of the pool, not the underlying securities. The State Treasury has taken the position that participants in the pool should disclose information related to interest rate risk and credit risk. The SPIA carried a credit rating of AA-f by Standard and Poor's and had an effective duration of 3.21 years at June 30, 2007. The University relies on policies developed by the State Treasury for managing interest rate risk or credit risk for this investment pool. Disclosures for the State Treasury investment pool are included in the notes to the financial statements of the State's

**FLORIDA ATLANTIC UNIVERSITY
HOUSING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007**

Comprehensive Annual Financial Report. Of the University's investments reported above, Housing's investments at fair value totaled \$4,165,195.

ACCOUNTS RECEIVABLE

Accounts receivable reported in the Statement of Net Assets represent amounts due from students for services provided by the Housing division. Accounts Receivable over one year old are considered as doubtful accounts. That amount as of June 30, 2007 was \$321,418.98.

CAPITAL ASSETS

Capital Assets consist of buildings that are capitalized and recorded at cost at the date of acquisition. Additions, improvements, and other outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation is computed on the straight-line basis over the estimated useful life of the related assets

LONG-TERM LIABILITES

Long term liabilities include bonds and for the fiscal year ended June 30, 2007, the debt related to student housing is reported on the statement of net assets. On August 17, 2006, the state of Florida, Board of Governors Florida Atlantic University issued Housing Revenue Bonds, Series 2006A, in the amount of \$27,640,000. The proceeds were used to finance the construction and equipping of a new 600-bed residence hall.

The University extinguished long-term debt obligations by the issuance of new long-term debt instruments as follows:

On November 02, 2006, the State Board of Education issued \$21,775,000 in Housing Facilities Revenue Bonds, Series 2006B, with interest rates ranging from 3.5 to 4.375 percent. The proceeds were used to defease \$20,060,000 of outstanding Housing Facility Revenue Bonds, Series 2000. Securities were placed in an irrevocable trust with an escrow agent to provide for all future debt service payments on the defeased bonds. The trust assets and the liability for the

**FLORIDA ATLANTIC UNIVERSITY
HOUSING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007**

deceased bonds are not included in the University's statement of net assets. As a result of the refunding, the University reduced its debt service requirement by \$1,876,061 over the next 24 years and obtained an economic gain of \$1,191,303. At June 30, 2007, the outstanding balance of the deceased bonds was \$1,640,000.



**Housing
Financial Statements
June 30, 2008**

**FLORIDA ATLANTIC UNIVERSITY
HOUSING
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2008**

Our discussion and analysis of Florida Atlantic University's Housing Division's ("Housing") financial performance provides an overview of the financial activities for the fiscal year ended June 30, 2008. Please read it in conjunction with the Housing's financial statements.

Operating revenues increased by 26% and operating expenses increased by 18% when compared to the prior fiscal year. The increase in operating revenues was due to rate increases which averaged 2.8% for double rooms and 6.6% for single rooms with an annual average occupancy of 95% which was the originally budgeted occupancy average with an additional 500 beds in capacity. More importantly was the addition of a new residence hall which added 26% in operating revenues. The increase in operating expenses was mainly due to the addition of the new residence hall. Additional increase in expenses was due to a major renovation project in Algonquin Hall.

The Statement of Net Assets and Statement of Revenues, Expenses and Changes in Net Assets report Housing's net assets and changes in net assets, respectively. An analysis and review of Housing's net assets - the difference between assets and liabilities - is one way to measure the financial health, or financial position of the Division. Over time, increases or decreases in Housing's net assets are one indicator of whether its financial health is improving or deteriorating. We believe that the financial position of Housing is healthy. The University's management, which oversees Housing operations, has insured its financial strength through comprehensive and strategic planning for the next several years.

Demand for on campus housing continues as we had our 4th year of waiting lists. The summer of 2007 had a waiting list of 200 students who all signed contracts and placed a \$200 prepayment with the university. Again, this comes when we had a net increase in capacity of 500 beds. The University continues its commitment to accommodate the student body's needs. University management is confident that the continued demand along with competitive housing rates and continued monitoring of expenditures will generate adequate cash flow to meet the annual debt service requirements of Housing.

In the University's planning process for Housing issues, management put into place the appropriate housing fee to assure that revenues are adequate for the housing area.

This Management Discussion and Analysis related to the financial information are designed to provide a general overview of Housing's financial condition. If you have questions about this report or need additional financial information,

contact Ms. Stacey Semmel CPA, CBM, Master of Accounting, Assistant Vice President for Financial Affairs and University Controller, Florida Atlantic University, 777 Glades Road, Boca Raton, Florida, (561) 297-3102.

**Florida Atlantic University
Housing System
Statement of Net Assets
As of June 30, 2008**

Assets

Current Assets:

Cash	\$ 5,483,440.70	
Investments	5,739,296.79	
Adjustment to Fair Market Value	(61,984.41)	
Interest and Dividends Receivable	16,643.29	
Accounts Receivable (Net)	331,788.48	
Deferred Fiscal Charges	1,837,119.60	
		\$ 13,346,304.45

Capital Assets:

Buildings	86,666,338.63	
Furniture and Equipment	701,712.84	
Improvements	74,030.65	
Accumulated Depreciation	(9,091,792.46)	
		\$ 78,350,289.66

Total Assets

\$ 91,696,594.11

Liabilities

Current Liabilities:

Accounts Payable	\$ 430,928.08	
Deposits Payable	10,695.60	
		\$ 441,623.68

Long Term Liabilities:

Bonds Payable	\$ 80,060,000.00	
		\$ 80,060,000.00

Total Liabilities

\$ 80,501,623.68

Net Assets

Unrestricted	\$ 12,904,680.77	
Invested in Capital Assets, net of Related Debt	(1,709,710.34)	
Total Net Assets		\$ 11,194,970.43

Total Liabilities And Net Assets

\$ 91,696,594.11

**Florida Atlantic University
Housing System
Statement Of Revenues, Expenses, and Changes in Net Assets
For the Year Ended June 30, 2008**

Operating Revenues

Housing Fees	\$ 13,601,006.35	
Rental Income	58,771.39	
Repairs & Maintenance	120,201.09	
Total Operating Revenues		<u>\$ 13,779,978.83</u>

Operating Expenses

Salaries And Benefits	\$ 2,129,790.38	
Other Personal Services	376,299.70	
Contractual Services	65,723.15	
Telecommunication	589,906.30	
Freight And Postage	3,682.79	
Printing	20,511.26	
Repairs And Maintenance	1,464,116.40	
Travel	19,938.03	
Utilities	1,384,471.54	
Depreciation Expense	1,294,459.54	
Materials & Supplies	172,923.84	
Insurance	20,129.82	
Other Expenses	141,221.12	
Total Operating Expenses		<u>\$ 7,683,173.87</u>

Operating Income / (Loss) \$ 6,096,804.96

Nonoperating Revenues/ (Expenses)

Debt Service - Interest	\$ (3,532,632.43)	
Investment Income	333,260.16	
Net Nonoperating Revenues / (Expenses)		<u>(3,199,372.27)</u>

Income/(Loss) Before Transfers \$ 2,897,432.69

Transfers In/Out

Transfers in	\$ 250.00	
Administrative Overhead	(370,719.90)	
Total Transfers In / (Out)		<u>\$ (370,469.90)</u>

Change in Net Assets	\$ 2,526,962.79
Total Net Assets - Beginning	<u>8,668,007.64</u>
Total Net Assets - Ending	<u><u>\$ 11,194,970.43</u></u>

**Florida Atlantic University
Housing System
Statement of Cash Flows
For the Year Ended June 30, 2008**

<u>Cash Flow From Operating Activities</u>		
Receipts From Customers	\$ 13,779,978.83	
Payments to Suppliers	(3,882,624.25)	
Payments to Employees	<u>(2,506,090.08)</u>	
Net Cash Provided By Operating Activities		\$ 7,391,264.50
<u>Cash Flows From Capital and Related Financing Activities</u>		
Interest Paid On Capital Debt	\$ (3,532,632.43)	
Purchase of Capital Assets	(181,322.18)	
Principal Paid On Capital Debt	<u>(2,240,000.00)</u>	
Net Cash (Used) By Capital and Related Financing Activities		\$ (5,953,954.61)
<u>Cash Flows From Noncapital Financing Activities</u>		
Transfers in	\$ 250.00	
Administrative Overhead Transfers	<u>(370,719.90)</u>	
Net Cash (Used) By Noncapital Financing Activities		\$ (370,469.90)
<u>Cash Flow From Investing Activities</u>		
Sale of Investments	\$ (1,813,402.46)	
Interest and Dividends	<u>333,260.16</u>	
Net Cash From Investing Activities		<u>\$ (1,480,142.30)</u>
Net increase/(decrease) in cash		\$ (413,302.31)
Balance - Beginning of Year		<u>5,896,743.01</u>
Balance - End of Year		<u><u>\$ 5,483,440.70</u></u>
<u>Reconciliation of Operating Income / (Loss) To Net Cash</u>		
Provided By Operating Activities		
Operating Income	\$ 6,096,804.96	
Add:		
Depreciation Expense	1,294,459.54	
Deferred Charges Amortization	74,774.96	
Change in Assets / Liabilities		
Receivables, net	(27,012.79)	
Accounts Payable	255,215.17	
Deferred revenue	<u>(302,977.34)</u>	
Net Cash provided By Operating Activities		<u><u>\$ 7,391,264.50</u></u>

**FLORIDA ATLANTIC UNIVERSITY
HOUSING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008**

To enhance the usefulness of the financial statements, the significant accounting policies followed by the housing Division of Florida Atlantic University (“University”) are described below.

REPORTING ENTITY

Florida Atlantic University is a separate public instrumentality that is part of a state university system of public universities. A constitutional amendment effective January 7, 2004 created a Board of Governors to be responsible for the management of the state university system. A separate Board of Trustees administers each university.

Florida Atlantic University Board of Trustees consists of 13 members. The Governor appoints six citizen members and the Board of Governors appoints five citizen members. These members are confirmed by the Florida Senate and serve staggered terms of five years. The chair of the faculty senate and the president of the student body of each university also are members. The Board of Governors establishes the powers and duties of the Trustees. The trustees are responsible for setting policies for the university, which provides governance in accordance with Florida law and rules of the State Board of Education and the Board of Governors. The Board of trustees selects the university President and the State board of Education must ratify the candidate selected. The university president serves as the executive officer and the corporate secretary of the Trustees and is responsible for administering the policies prescribed by the Board of Trustees.

Criteria for defining the reporting entity are identified and described in the Governmental Accounting Standards Board’s (GASB) Codification of Governmental Accounting and Financial Reporting Standards, Sections 2100 and 2600. Application of these criteria determines potential component units for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusions would cause the primary government’s financial statements to be misleading or incomplete. Based on the application of these criteria the university is a component of the State of Florida and its financial balances and activities included in these financial statements are reported on the State’s Comprehensive Annual financial Report by discrete presentation.

**FLORIDA ATLANTIC UNIVERSITY
HOUSING
NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2008

BASIS OF PRESENTATION

The University's accounting policies conform with generally accepted accounting principles applicable to colleges and universities as prescribed by the Governmental Accounting Standards Board (GASB). The National Association of College and University Business Officers (NACUBO) also provide the University with recommendations prescribed in accordance with generally accepted accounting principles promulgated by GASB and the Financial Accounting Standards Board (FASB).

In November 1999, GASB issued Statement No. 35 "Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities". This Statement includes public colleges and universities within the financial reporting guidelines of GASB Statement No. 34 "Basic Financial Statements and Management Discussion and Analysis for State and Local Governments." GASB Statement No. 35 allows public colleges and universities the option of reporting as a special-purpose government either engaged in only business-type activities, engaged in only governmental activities, or engaged in both governmental and business-type activities. The universities of the state university system, including Florida Atlantic University, elected to report as entities engaged in only business-type activities. This election requires the adoption of the accrual basis of accounting and entity-wide reporting including the following components:

- Management's Discussion and Analysis (MD&A)
- Basic Financial Statements:
 - Statement of Net Assets
 - Statement of Revenues, Expenses, and Changes in Net Assets
 - Statement of Cash Flows
- Notes to Financial Statements
- Required Supplementary Information (RSI) Other Than MD&A

**FLORIDA ATLANTIC UNIVERSITY
HOUSING
NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2008

BASIS OF ACCOUNTING

Basis of accounting refers to when revenues, expenses, and related assets and liabilities are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the measurement focus applied. University's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange activities are generally recognized when all applicable eligibility requirements, include time requirements, are met. Auxiliary service departments account for interdepartmental transactions as reductions of expenditures and not revenues of those departments.

The University's principal operating activities consist of instruction, research and public service. Operating revenues and expenses generally include all fiscal transactions directly related to these activities plus administration, operation and maintenance of capital assets, and depreciation on capital assets. Included in nonoperating revenues are State appropriations, investment income and revenues for capital construction projects. Interest on asset-related debts is a nonoperating expense.

The University follows FASB statements and interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

CASH AND CASH EQUIVALENTS

The amount reported as cash and cash equivalents consist of cash on hand and cash in demand accounts. Cash set aside to make debt service payments, maintain sinking fund reserves, and to purchase or construct capital assets is classified as restricted. Banks qualified as public

**FLORIDA ATLANTIC UNIVERSITY
HOUSING
NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2008

depositories under Florida law hold cash deposits of the University. Cash in demand accounts are held in banks qualified in accordance with the provisions of Chapter 280, Florida Statutes, as a public depository. Deposits are fully insured by Federal depository insurance or collateralized with securities held in Florida's multiple financial institution collateral pool required by Chapter 280, Florida Statutes.

INVESTMENTS

Section 1011.42(5), Florida Statutes, authorizes universities to invest funds awaiting clearing with the State Treasury and State Board of Administration, and requires that universities comply with the statutory requirements governing investment of public funds by local governments. Accordingly, universities are subject to the requirements of Chapter 218, Part IV, Florida Statutes. Pursuant to Section 218.415(16), Florida Statutes, the University is authorized to invest in the Local Government Surplus Funds Trust Fund investment pool administered by the State Board of Administration; interest-bearing time deposits and savings accounts in qualified public depositories, as defined in Section 280.02, Florida Statutes; direct obligations of the United States Government; obligations of Federal agencies and instrumentalities; securities of, or interests in, certain open-end or closed-end management type investment companies; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency. Section 17.61(1), Florida Statutes, also provides for University funds to be invested with the State Treasury. The University's investment at June 30, 2008 are reported at fair value, as follows.

External Investment Pools

The University reported investments at fair value totaling \$119,807,260 at June 30, 2008, in the State Treasury Special Purpose Investment Account (SPIA) investment pool, representing ownership of a share of the pool, not the underlying securities. The State Treasury has taken the position that participants in the pool should disclose information related to interest rate risk and credit risk. The SPIA carried a credit rating of AA-f by Standard and Poor's and had an effective duration of 3.31 years at June 30, 2008. The University relies on policies developed by

**FLORIDA ATLANTIC UNIVERSITY
HOUSING
NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2008

the State Treasury for managing interest rate risk or credit risk for this investment pool. Disclosures for the State Treasury investment pool are included in the notes to the financial statements of the State's Comprehensive Annual Financial Report. Of the University's investments reported above, Housing's investments at fair value totaled \$ 5,677,312.00

ACCOUNTS RECEIVABLE

Accounts receivable reported in the Statement of Net Assets represent amounts due from students for services provided by the Housing division. Accounts Receivable over one year old are considered as doubtful accounts. That amount as of June 30, 2008 was \$331,788.

CAPITAL ASSETS

Capital Assets consist of buildings that are capitalized and recorded at cost at the date of acquisition. Additions, improvements, and other outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation is computed on the straight-line basis over the estimated useful life of the related assets

LONG-TERM LIABILITES

Long term liabilities include bonds and for the fiscal year ended June 30, 2008, the debt related to student housing is reported on the statement of net assets.



**Housing
Financial Statements
June 30, 2009**

FLORIDA ATLANTIC UNIVERSITY
HOUSING WITHOUT HONORS
MANAGEMENT DISCUSSION AND ANALYSIS
June 30, 2009

Our discussion and analysis of Florida Atlantic University's Housing Division's (Housing) financial performance provides an overview of the financial activities for the fiscal year ended June 30, 2009. Please read it in conjunction with Housing's financial statements.

Operating revenues on the Boca Raton campus went up 1.7% and operating expenses went up 19.9% when compared to the previous fiscal year. The small increase in revenue is due to housing more students in the spring semester over the previous year and conference revenues increasing. There was no housing rate increase for this fiscal year due to the elimination of phone service to residents.

The increase in operating expenses was due mostly to the completion of a renovation project in Algonquin Hall in Summer 2009 and a \$2.3 million refurbishment in the University Village apartments. Decreases in expense lines including contractual services, telecommunications, repairs and maintenance, travel, and insurance equal over \$600,000 compared to the previous fiscal year.

The statement of Net Assets and Statement of Revenues, Expenses and Changes in Net Assets report Housing's net assets and changes in net assets respectively. During this fiscal year, as across the country, investments and return on investments declined significantly. Overall, total assets declined 3.0%, as did total liabilities by 3.3%. An analysis and review of Housing's net assets – the difference between assets and liabilities is one way to measure the financial health, or financial position of the Division. Over time, increases or decreases in Housing's net assets are one indicator of whether its financial health is improving or deteriorating. We believe that the financial position of Housing is healthy. The University's management has insured its financial strength through comprehension and strategic planning for the future.

Demand for on campus housing continues as we had a 5th year of a waiting list for the 2008-2009 academic year. The summer of 2008 had over 600 students with signed contracts and a \$200 deposit waiting for a place on the FAU campus. The University continues its commitment to create a traditional college experience on the Boca Raton campus. Planning is underway for more housing on campus to meet the demand. University management is confident that the continued demand, along with competitive housing rates and continued monitoring of expenditures

will generate adequate cash flow to meet the annual debt service requirements of the Housing system.

This Management Discussion and Analysis related to the financial information are designed to provide a general overview of Housing's financial condition. If you have questions about this report or need additional financial information contact Ms. Stacy Semmel CPA, CBM, Master of Accounting, Assistant Vice President for Financial Affairs & University Controller, Florida Atlantic University, 777 Glades Road, Boca Raton, Florida (561) 297-3102.

**Florida Atlantic University
Housing
Statement of Net Assets
As of June 30, 2009**

Assets

Current Assets:

Cash	\$	5,847,514.22	
Investments		4,801,986.32	
Adjustment to Fair Market Value		(102,282.31)	
Interest and Dividends Receivable		10,698.57	
Accounts Receivable (Net)		301,733.63	
Deferred Fiscal Charges		1,753,614.15	
			\$ 12,613,264.58

Capital Assets:

Buildings		86,432,276.95	
Furniture and Equipment		840,314.93	
Improvements		74,030.65	
Accumulated Depreciation		(10,978,366.09)	
			76,368,256.44

Total Assets: \$ 88,981,521.02

Liabilities

Current Liabilities:

Accounts Payable	\$	113,091.91	
Deposits Payable		10,583.46	
			\$ 123,675.37

Long Term Liabilities:

Bonds Payable		77,740,000.00	
			\$ 77,740,000.00

Total Liabilities \$ 77,863,675.37

Net Assets

Unrestricted	\$	12,489,589.21	
Invested in Capital Assets, net of Related Debt		(1,371,743.56)	
			\$ 11,117,845.65

Total Net Assets \$ 11,117,845.65

Total Liabilities And Net Assets \$ 88,981,521.02

Florida Atlantic University
Housing
Statement Of Revenues, Expenses, and Changes in Net Assets
For the Year Ended June 30, 2009

Operating Revenues

Housing Fees	\$ 13,831,351.18	
Rental Income	101,266.05	
Repairs & Maintenance	81,348.00	
Total Operating Revenues	<u>81,348.00</u>	\$ 14,013,965.23

Operating Expenses

Salaries And Benefits	\$ 2,269,994.04	
Other Personal Services	442,229.26	
Contractual Services	23,856.35	
Telecommunication	423,725.39	
Freight And Postage	4,219.15	
Printing	27,467.40	
Repairs And Maintenance	1,067,769.02	
Travel	6,185.51	
Utilities	1,437,573.01	
Depreciation Expense	1,886,573.63	
Adjustment to the Fixed Assets	105,588.13	
Materials & Supplies	1,349,503.06	
Insurance	11,695.24	
Other Expenses	153,387.51	
Total Operating Expenses	<u>153,387.51</u>	<u>\$ 9,209,766.70</u>

Operating Income / (Loss) \$ 4,804,198.53

Nonoperating Revenues/ (Expenses)

Debt Service - Interest	\$ (3,515,147.64)	
Investment Income	<u>98,546.91</u>	
Net Nonoperating Revenues / (Expenses)		<u>(3,416,600.73)</u>

Income/(Loss) Before Transfers \$ 1,387,597.80

Transfers In/Out

Transfers out	\$ (995,481.00)	
Administrative Overhead	<u>(469,241.58)</u>	
Total Transfers In / (Out)		\$ (1,464,722.58)

Change in Net Assets		\$ (77,124.78)
Total Net Assets - Beginning		<u>11,194,970.43</u>
Total Net Assets - Ending		<u><u>\$ 11,117,845.65</u></u>

**Florida Atlantic University
Housing
Statement of Cash Flows
For the Year Ended June 30, 2009**

Cash Flow From Operating Activities

Receipts From Customers	\$ 14,013,965.23
Payments to Suppliers	(4,787,330.38)
Payments to Employees	<u>(2,712,223.30)</u>

Net Cash Provided By Operating Activities \$ 6,514,411.55

Cash Flows From Capital and Related Financing Activities

Interest Paid On Capital Debt	\$ (3,431,642.19)
Purchase of Capital Assets	(10,128.54)
Principal Paid On Capital Debt	<u>(2,320,000.00)</u>

Net Cash (Used) By Capital and Related Financing Activities \$ (5,761,770.73)

Cash Flows From Noncapital Financing Activities

Transfers in /out	\$ (995,481.00)
Administrative Overhead Transfers	<u>(469,241.58)</u>

Net Cash (Used) By Noncapital Financing Activities \$ (1,464,722.58)

Cash Flow From Investing Activities

Sale of Investments	\$ 977,608.37
Interest and Dividends	<u>98,546.91</u>

Net Cash From Investing Activities \$ 1,076,155.28

Net increase/(decrease) in cash	\$ 364,073.52
Balance - Beginning of Year	\$ 5,483,440.70
Balance - End of Year	<u>\$ 5,847,514.22</u>

Reconciliation of Operating Income / (Loss) To Net Cash
Provided By Operating Activities

Operating Income	\$ 4,804,198.53
Add:	
Depreciation Expense	1,886,573.63
Adjustment to fixed assets	105,588.13
Change in Assets / Liabilities	
Receivables, net	30,054.85
Interest and Dividends Receivables	5,944.72
Accounts Payable	(317,836.17)
Deposits Payable	(112.14)

Net Cash provided By Operating Activities \$ 6,514,411.55

**FLORIDA ATLANTIC UNIVERSITY
HOUSING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009**

To enhance the usefulness of the financial statements, the significant accounting policies followed by the housing Division of Florida Atlantic University (“University”) are described below.

REPORTING ENTITY

Florida Atlantic University is a separate public instrumentality that is part of a state university system of public universities. A constitutional amendment effective January 7, 2004 created a Board of Governors to be responsible for the management of the state university system. A separate Board of Trustees administers each university.

Florida Atlantic University Board of Trustees consists of 13 members. The Governor appoints six citizen members and the Board of Governors appoints five citizen members. These members are confirmed by the Florida Senate and serve staggered terms of five years. The chair of the faculty senate and the president of the student body of each university also are members. The Board of Governors establishes the powers and duties of the Trustees. The trustees are responsible for setting policies for the university, which provides governance in accordance with Florida law and rules of the State Board of Education and the Board of Governors. The Board of trustees selects the university President and the State board of Education must ratify the candidate selected. The university president serves as the executive officer and the corporate secretary of the Trustees and is responsible for administering the policies prescribed by the Board of Trustees.

Criteria for defining the reporting entity are identified and described in the Governmental Accounting Standards Board’s (GASB) Codification of Governmental Accounting and Financial Reporting Standards, Sections 2100 and 2600. Application of these criteria determines potential component units for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusions would cause the

**FLORIDA ATLANTIC UNIVERSITY
HOUSING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009**

primary government's financial statements to be misleading or incomplete. Based on the application of these criteria the university is a component of the State of Florida and its financial balances and activities included in these financial statements are reported on the State's Comprehensive Annual financial Report by discrete presentation.

BASIS OF PRESENTATION

The University's accounting policies conform with generally accepted accounting principles applicable to colleges and universities as prescribed by the Governmental Accounting Standards Board (GASB). The National Association of College and University Business Officers (NACUBO) also provide the University with recommendations prescribed in accordance with generally accepted accounting principles promulgated by GASB and the Financial Accounting Standards Board (FASB).

In November 1999, GASB issued Statement No. 35 "Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities". This Statement includes public colleges and universities within the financial reporting guidelines of GASB Statement No. 34 "Basic Financial Statements and Management Discussion and Analysis for State and Local Governments." GASB Statement No. 35 allows public colleges and universities the option of reporting as a special-purpose government either engaged in only business-type activities, engaged in only governmental activities, or engaged in both governmental and business-type activities. The universities of the state university system, including Florida Atlantic University, elected to report as entities engaged in only business-type activities. This election requires the adoption of the accrual basis of accounting and entity-wide reporting including the following components:

- Management's Discussion and Analysis (MD&A)
- Basic Financial Statements:
 - Statement of Net Assets

**FLORIDA ATLANTIC UNIVERSITY
HOUSING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009**

- Statement of Revenues, Expenses, and Changes in Net Assets
- Statement of Cash Flows
- Notes to Financial Statements
- Required Supplementary Information (RSI) Other Than MD&A

BASIS OF ACCOUNTING

Basis of accounting refers to when revenues, expenses, and related assets and liabilities are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the measurement focus applied. University's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange activities are generally recognized when all applicable eligibility requirements, include time requirements, are met. Auxiliary service departments account for interdepartmental transactions as reductions of expenditures and not revenues of those departments.

The University's principal operating activities consist of instruction, research and public service. Operating revenues and expenses generally include all fiscal transactions directly related to these activities plus administration, operation and maintenance of capital assets, and depreciation on capital assets. Included in nonoperating revenues are State appropriations, investment income and revenues for capital construction projects. Interest on asset-related debts is a nonoperating expense.

**FLORIDA ATLANTIC UNIVERSITY
HOUSING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009**

The University follows FASB statements and interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

CASH AND CASH EQUIVALENTS

The amount reported as cash and cash equivalents consist of cash on hand and cash in demand accounts. Cash set aside to make debt service payments, maintain sinking fund reserves, and to purchase or construct capital assets is classified as restricted. Banks qualified as public depositories under Florida law hold cash deposits of the University. Cash in demand accounts are held in banks qualified in accordance with the provisions of Chapter 280, Florida Statutes, as a public depository. Deposits are fully insured by Federal depository insurance or collateralized with securities held in Florida's multiple financial institution collateral pool required by Chapter 280, Florida Statutes.

INVESTMENTS

Section 1011.42(5), Florida Statutes, authorizes universities to invest funds awaiting clearing with the State Treasury and State Board of Administration, and requires that universities comply with the statutory requirements governing investment of public funds by local governments. Accordingly, universities are subject to the requirements of Chapter 218, Part IV, Florida Statutes. Pursuant to Section 218.415(16), Florida Statutes, the University is authorized to invest in the Local Government Surplus Funds Trust Fund investment pool administered by the State Board of Administration; interest-bearing time deposits and savings accounts in qualified public depositories, as defined in Section 280.02, Florida Statutes; direct obligations of the United States Government; obligations of Federal agencies and instrumentalities; securities of, or interests in, certain open-end or

**FLORIDA ATLANTIC UNIVERSITY
HOUSING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009**

closed-end management type investment companies; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency. Section 17.61(1), Florida Statutes, also provides for University funds to be invested with the State Treasury. The University's investments at June 30, 2009 are reported at fair value, as follows:

External Investment Pools

The University reported investments at fair value totaling \$145,558,735 at June 30, 2009, in the State Treasury Special Purpose Investment Account (SPIA) investment pool, representing ownership of a share of the pool, not the underlying securities. The State Treasury has taken the position that participants in the pool should disclose information related to interest rate risk and credit risk. The SPIA carried a credit rating of A+f by Standard and Poor's and had an effective duration of 2.8 years at June 30, 2009. The University relies on policies developed by the State Treasury for managing interest rate risk or credit risk for this investment pool. Disclosures for the State Treasury investment pool are included in the notes to the financial statements of the State's Comprehensive Annual Financial Report. Of the University's investments reported above, Housing's investments at fair value totaled \$ 4,699,704.

ACCOUNTS RECEIVABLE

Accounts receivable reported in the Statement of Net Assets represent amounts due from students for services provided by the Housing division. Accounts Receivable over one year old are considered as doubtful accounts. That amount as of June 30, 2009 was \$301,734.

CAPITAL ASSETS

Capital Assets consist of buildings that are capitalized and recorded at cost at the date of acquisition. Additions, improvements, and other outlays that significantly extend the

**FLORIDA ATLANTIC UNIVERSITY
HOUSING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009**

useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation is computed on the straight-line basis over the estimated useful life of the related assets

LONG-TERM LIABILITES

Long term liabilities include bonds and for the fiscal year ended June 30, 2009, the debt related to student housing is reported on the statement of net assets.

BOARD OF GOVERNORS
STATE UNIVERSITY SYSTEM OF FLORIDA

Preliminary Cash Flow Analysis
Florida Atlantic University
Innovation Village Project

Fiscal Year Ending June 30,	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
EXISTING HOUSING UNITS															
Housing Fees, Interest Income & Other Operating Revenue	15,753,593	16,226,201	16,706,821	17,208,026	17,724,266	18,255,994	18,803,674	19,367,785	19,948,818	20,547,283	21,163,701	21,798,612	22,452,571	23,126,148	23,819,932
LESS: Annual Debt Service (Existing Units) ²	5,761,935	5,766,685	5,765,723	5,761,904	5,765,904	5,773,266	5,772,516	5,768,798	5,776,873	5,773,260	4,611,460	4,608,298	4,612,498	4,615,913	4,612,313
Annual Operating Expenses	6,926,398	7,134,189	7,348,215	7,568,662	7,795,721	8,029,593	8,270,481	8,518,595	8,774,153	9,037,378	9,308,499	9,587,754	9,875,387	10,171,648	10,476,798
Existing Units Net Revenue	3,065,261	3,325,327	3,592,883	3,877,460	4,162,641	4,453,135	4,760,677	5,080,392	5,397,792	5,736,645	7,243,742	7,602,561	7,964,686	8,338,587	8,730,822
Debt Service Coverage Ratio	1.53	1.58	1.62	1.67	1.72	1.77	1.82	1.88	1.93	1.99	2.57	2.65	2.73	2.81	2.89
NEW HOUSING at INNOVATION VILLAGE															
Existing Units Net Revenue	\$3,065,261	\$3,325,327	\$3,592,883	\$3,877,460	\$4,162,641	\$4,453,135	\$4,760,677	\$5,080,392	\$5,397,792	\$5,736,645	\$7,243,742	\$7,602,561	\$7,964,686	\$8,338,587	\$8,730,822
Rental Revenue	\$10,936,100	\$11,264,183	\$11,602,108	\$11,950,172	\$12,308,677	\$12,677,937	\$13,058,275	\$13,450,024	\$13,853,524	\$14,269,130	\$14,697,204	\$15,138,120	\$15,592,264	\$16,060,032	\$16,541,832
LESS: Student Vacancies	546,805	563,209	580,105	597,509	615,434	633,897	652,914	672,501	692,676	713,457	734,860	756,906	779,613	803,002	827,092
Summer Revenue	2,187,220	2,252,837	2,320,422	2,390,034	2,461,735	2,535,587	2,611,655	2,690,005	2,770,705	2,853,826	2,939,441	3,027,624	3,118,453	3,212,006	3,308,366
LESS: Summer Vacancies	2,187,220	1,914,911	1,972,358	2,031,529	2,092,475	2,155,249	2,219,907	2,286,504	2,355,099	2,425,752	2,498,525	2,573,480	2,650,685	2,730,205	2,812,112
Net Rental Revenues	10,389,295	11,038,899	11,370,066	11,711,168	12,062,503	12,424,378	12,797,110	13,181,023	13,576,454	13,983,747	14,403,260	14,835,358	15,280,418	15,738,831	16,210,996
Other Revenues	130,025	133,926	137,944	142,082	146,344	150,735	155,257	159,914	164,712	169,653	174,743	179,985	185,385	190,946	196,674
Investment Earnings on DSRF ³	0	174,120	174,120	174,120	174,120	174,120	174,120	174,120	174,120	174,120	174,120	174,120	174,120	174,120	174,120
New Housing Net Revenue	10,519,320	11,346,945	11,682,130	12,027,370	12,382,968	12,749,233	13,126,486	13,515,057	13,915,286	14,327,521	14,752,123	15,189,463	15,639,923	16,103,897	16,581,790
Total Net Revenues	\$13,584,581	\$14,672,272	\$15,275,013	\$15,904,831	\$16,545,609	\$17,202,368	\$17,887,164	\$18,595,449	\$19,313,078	\$20,064,165	\$21,995,865	\$22,792,023	\$23,604,609	\$24,442,484	\$25,312,612
Rental	\$31,000	\$31,930	\$32,888	\$33,875	\$34,891	\$35,937	\$37,016	\$38,126	\$39,270	\$40,448	\$41,661	\$42,911	\$44,199	\$45,525	\$46,890
Payroll	689,895	717,491	746,190	776,038	807,080	839,363	872,937	907,855	944,169	981,936	1,021,213	1,062,062	1,104,544	1,148,726	1,194,675
Operating Administrative	115,950	119,428	123,011	126,701	130,502	134,417	138,450	142,603	146,881	151,288	155,826	160,501	165,316	170,276	175,384
Management Fee	210,386	223,457	230,160	237,065	244,177	251,502	259,047	266,819	274,823	283,068	291,560	300,307	309,316	318,596	328,153
Common Area	61,000	62,830	64,715	66,656	68,656	70,716	72,837	75,022	77,273	79,591	81,979	84,438	86,971	89,581	92,268
Ground	24,000	24,720	25,462	26,225	27,012	27,823	28,657	29,517	30,402	31,315	32,254	33,222	34,218	35,245	36,302
Utilities	1,270,940	1,309,068	1,348,340	1,388,790	1,430,454	1,473,368	1,517,569	1,563,096	1,609,989	1,658,288	1,708,037	1,759,278	1,812,057	1,866,418	1,922,411
Interior Unit Expenses	151,798	156,352	161,042	165,874	170,850	175,975	181,255	186,692	192,293	198,062	204,004	210,124	216,428	222,920	229,608
Maintenance	21,600	62,212	64,078	66,001	67,981	70,020	72,121	74,284	76,513	78,808	81,173	83,608	86,116	88,699	91,360
Taxes & Insurance	368,977	380,046	391,448	403,191	415,287	427,745	440,578	453,795	467,409	481,431	495,874	510,750	526,073	541,855	558,111
Replacement Reserve	243,200	250,496	258,011	265,751	273,724	281,935	290,394	299,105	308,078	317,321	326,840	336,646	346,745	357,147	367,862
Non-Cash Items	4,500	4,635	4,774	4,917	5,065	5,217	5,373	5,534	5,700	5,871	6,048	6,229	6,416	6,608	6,807
Bond Trustee & Rating Agency Fees	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Total Operating Expenses	\$3,213,246	\$3,362,665	\$3,470,120	\$3,581,085	\$3,695,678	\$3,814,019	\$3,936,233	\$4,062,450	\$4,192,802	\$4,327,428	\$4,466,470	\$4,610,076	\$4,758,399	\$4,911,596	\$5,069,831
Net Operating Income	\$10,371,334	\$11,309,607	\$11,804,894	\$12,323,745	\$12,849,931	\$13,388,349	\$13,950,930	\$14,533,000	\$15,120,276	\$15,736,738	\$16,529,395	\$17,181,947	\$17,846,210	\$18,530,888	\$19,242,781
Annual Debt Service (Senior A Bonds) ⁴	2,687,516	8,705,038	8,703,025	8,702,788	8,705,113	8,705,138	8,705,700	8,704,738	8,701,425	8,705,500	8,701,175	8,703,450	8,701,538	8,705,175	8,703,575
Debt Service Coverage	3.86	1.30	1.36	1.42	1.48	1.54	1.60	1.67	1.74	1.81	2.01	2.09	2.17	2.24	2.33
Breakeven Occupancy (New Beds w Existing Net Revenue)	20.62%	62.40%	59.39%	56.42%	53.61%	50.88%	48.19%	45.56%	43.06%	40.60%	31.61%	29.49%	27.45%	25.49%	23.54%
Breakeven Occupancy (New Bed Revenue Only)	43.97%	87.00%	85.19%	83.46%	81.79%	80.15%	78.57%	77.03%	75.52%	74.11%	72.68%	71.34%	70.02%	68.76%	67.52%
Net Cash Flow (Before Junior B Bonds)	\$7,683,819	\$2,604,569	\$3,101,869	\$3,620,958	\$4,144,818	\$4,683,212	\$5,245,230	\$5,828,262	\$6,418,851	\$7,031,238	\$8,828,220	\$9,478,497	\$10,144,673	\$10,825,713	\$11,539,206
Annual Debt Service (Junior B Bonds)	579,638	301,655	302,623	303,225	303,461	303,330	302,832	301,968	300,738	299,141	302,177	299,481	301,418	302,622	303,093
Debt Service Coverage	3.17	1.26	1.31	1.37	1.43	1.49	1.55	1.61	1.68	1.75	1.95	2.02	2.09	2.17	2.25
Net Cash Flow	\$7,104,181	\$2,302,915	\$2,799,246	\$3,317,733	\$3,841,358	\$4,379,882	\$4,942,398	\$5,526,294	\$6,118,114	\$6,732,097	\$8,526,043	\$9,179,017	\$9,843,255	\$10,523,091	\$11,236,113

¹ The financial information related to the revenues and expenses for the existing housing facilities was provided by the University.

² Includes Series 2003, Series 2006 and Series 2006A bonds.

³ Based on an interest rate of 2.00%.

⁴ Debt service is shown net of capitalized interest.

**BOARD OF GOVERNORS
STATE UNIVERSITY SYSTEM OF FLORIDA**

Preliminary Cash Flow Analysis

Florida Atlantic University

Innovation Village Project

Fiscal Year Ending June 30,	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
EXISTING HOUSING UNITS														
Housing Fees, Interest Income & Other Operating Revenue	24,534,530	25,270,566	26,028,683	26,809,543	27,613,830	28,442,245	29,295,512	30,174,377	31,079,609	32,011,997	32,972,357	33,961,527	34,980,373	36,029,784
LESS: Annual Debt Service (Existing Units) ²	4,607,663	4,611,750	4,608,900	4,610,981	3,035,306	3,035,538	3,035,388	1,717,838	1,718,463	1,715,850	0	0	0	0
Annual Operating Expenses	10,791,102	11,114,835	11,448,280	11,791,728	12,145,480	12,509,844	12,885,140	13,271,694	13,669,845	14,079,940	14,502,338	14,937,408	15,385,531	15,847,097
Existing Units Net Revenue	9,135,766	9,543,981	9,971,503	10,406,834	12,433,043	12,896,863	13,374,985	15,184,846	15,691,301	16,216,207	18,470,019	19,024,119	19,594,843	20,182,688
Debt Service Coverage Ratio	2.98	3.07	3.16	3.26	5.10	5.25	5.41	9.84	10.13	10.45	N/A	N/A	N/A	N/A
NEW HOUSING at INNOVATION VILLAGE														
Existing Units Net Revenue	\$9,135,766	\$9,543,981	\$9,971,503	\$10,406,834	\$12,433,043	\$12,896,863	\$13,374,985	\$15,184,846	\$15,691,301	\$16,216,207	\$18,470,019	\$19,024,119	\$19,594,843	\$20,182,688
Rental Revenue	\$17,038,087	\$17,549,230	\$18,075,707	\$18,617,978	\$19,176,518	\$19,751,813	\$20,344,367	\$20,954,698	\$21,583,339	\$22,230,840	\$22,897,765	\$23,584,698	\$24,292,239	\$25,021,006
LESS: Student Vacancies	851,904	877,462	903,785	930,899	958,826	987,591	1,017,218	1,047,735	1,079,167	1,111,542	1,144,888	1,179,235	1,214,612	1,251,050
Summer Revenue	3,407,617	3,509,846	3,615,141	3,723,596	3,835,304	3,950,363	4,068,873	4,190,940	4,316,668	4,446,168	4,579,553	4,716,940	4,858,448	5,004,201
LESS: Summer Vacancies	2,896,475	2,983,369	3,072,870	3,165,056	3,260,008	3,357,808	3,458,542	3,562,299	3,669,168	3,779,243	3,892,620	4,009,399	4,129,681	4,253,571
Net Rental Revenues	16,697,326	17,198,245	17,714,193	18,245,619	18,792,987	19,356,777	19,937,480	20,535,605	21,151,673	21,786,223	22,439,810	23,113,004	23,806,394	24,520,586
Other Revenues	202,575	208,652	214,912	221,359	228,000	234,840	241,885	249,141	256,616	264,314	272,243	280,411	288,823	297,488
Investment Earnings on DSRF ³	174,120	174,120	174,120	174,120	174,120	174,120	174,120	174,120	174,120	174,120	174,120	174,120	174,120	8,880,120
New Housing Net Revenue	17,074,020	17,581,017	18,103,224	18,641,097	19,195,107	19,765,736	20,353,485	20,958,866	21,582,408	22,224,657	22,886,173	23,567,535	24,269,337	33,698,194
Total Net Revenues	\$26,209,786	\$27,124,999	\$28,074,728	\$29,047,932	\$31,628,150	\$32,662,599	\$33,728,470	\$36,143,712	\$37,273,710	\$38,440,864	\$41,356,192	\$42,591,654	\$43,864,180	\$53,880,881
Rental	\$48,297	\$49,746	\$51,238	\$52,775	\$54,359	\$55,989	\$57,669	\$59,399	\$61,181	\$63,017	\$64,907	\$66,854	\$68,860	\$70,926
Payroll	1,242,462	1,292,160	1,343,847	1,397,601	1,453,505	1,511,645	1,572,111	1,634,995	1,700,395	1,768,411	1,839,147	1,912,713	1,989,222	2,068,790
Operating Administrative	180,646	186,065	191,647	197,396	203,318	209,418	215,700	222,171	228,836	235,701	242,773	250,056	257,557	265,284
Management Fee	337,998	348,138	358,582	369,340	380,420	391,832	403,587	415,695	428,166	441,011	454,241	467,868	481,904	496,361
Common Area	95,036	97,887	100,824	103,848	106,964	110,173	113,478	116,882	120,389	124,000	127,720	131,552	135,499	139,564
Ground	37,391	38,513	39,668	40,858	42,084	43,347	44,647	45,986	47,366	48,787	50,251	51,758	53,311	54,910
Utilities	1,980,083	2,039,486	2,100,670	2,163,690	2,228,601	2,295,459	2,364,323	2,435,252	2,508,310	2,583,559	2,661,066	2,740,898	2,823,125	2,907,819
Interior Unit Expenses	236,496	243,591	250,899	258,426	266,179	274,164	282,389	290,861	299,586	308,574	317,831	327,366	337,187	347,303
Maintenance	94,101	96,924	99,832	102,827	105,912	109,089	112,362	115,733	119,205	122,781	126,464	130,258	134,166	138,191
Taxes & Insurance	574,854	592,100	609,863	628,159	647,003	666,414	686,406	706,998	728,208	750,054	772,556	795,733	819,605	844,193
Replacement Reserve	378,898	390,265	401,973	414,032	426,453	439,246	452,424	465,996	479,976	494,376	509,207	524,483	540,217	556,424
Non-Cash Items	7,011	7,221	7,438	7,661	7,891	8,128	8,371	8,622	8,881	9,148	9,422	9,705	9,996	10,296
Bond Trustee & Rating Agency Fees	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Total Operating Expenses	\$5,233,273	\$5,402,096	\$5,576,480	\$5,756,613	\$5,942,688	\$6,134,903	\$6,333,467	\$6,538,592	\$6,750,500	\$6,969,419	\$7,195,585	\$7,429,244	\$7,670,649	\$7,920,060
Net Operating Income	\$20,976,513	\$21,722,903	\$22,498,247	\$23,291,318	\$25,685,463	\$26,527,696	\$27,395,003	\$29,605,120	\$30,523,210	\$31,471,445	\$34,160,606	\$35,162,409	\$36,193,531	\$45,960,821
Annual Debt Service (Senior A Bonds) ⁴	8,701,475	8,703,350	8,703,413	8,701,138	8,706,000	8,701,950	8,703,725	8,705,275	8,705,813	8,704,550	8,700,700	8,703,475	8,701,563	8,704,175
Debt Service Coverage	2.41	2.50	2.58	2.68	2.95	3.05	3.15	3.40	3.51	3.62	3.93	4.04	4.16	5.28
Breakeven Occupancy (New Beds w Existing Net Revenue)	21.63%	19.84%	18.07%	16.36%	7.88%	6.46%	5.10%	-1.45%	-2.57%	-3.68%	-10.99%	-11.82%	-12.64%	-42.42%
Breakeven Occupancy (New Bed Revenue Only)	66.31%	65.16%	64.04%	62.94%	61.91%	60.87%	59.89%	58.94%	58.01%	57.11%	56.23%	55.40%	54.58%	24.80%
Net Cash Flow (Before Junior B Bonds)	\$12,275,038	\$13,019,553	\$13,794,835	\$14,590,181	\$16,979,463	\$17,825,746	\$18,691,278	\$20,899,845	\$21,817,397	\$22,766,895	\$25,459,906	\$26,458,934	\$27,491,968	\$37,256,646
Annual Debt Service (Junior B Bonds)	302,831	301,836	300,108	302,647	304,086	299,426	299,033	302,541	299,582	300,524	0	0	0	0
Debt Service Coverage	2.33	2.41	2.50	2.59	2.85	2.95	3.04	3.29	3.39	3.49	3.93	4.04	4.16	5.28
Net Cash Flow	\$11,972,208	\$12,717,717	\$13,494,727	\$14,287,534	\$16,675,377	\$17,526,320	\$18,392,245	\$20,597,304	\$21,517,815	\$22,466,371	\$25,459,906	\$26,458,934	\$27,491,968	\$37,256,646

¹The financial information related to the revenues and expenses for the existing ho

² Includes Series 2003, Series 2006 and Series 2006A bonds.

³ Based on an interest rate of 2.00%.

⁴ Debt service is shown net of capitalized interest.

BOARD OF GOVERNORS
STATE UNIVERSITY SYSTEM OF FLORIDA
Preliminary Unit Mix for Cash Flow Analysis
Florida Atlantic University
Innovation Village Project

Unit Type	# of Units	# of Beds	Square Footage		2009-10 Rents per Unit		2009-10 Rents per Bed			Total Rent
			Per Apt.	Total	Semester	Annual	Monthly	Semester	Annual	
Building One										
4 BR / 2 BA (Leasable Units)										
10-Month Lease	148	592	1,060	156,880	\$17,900	\$35,800	\$895	\$4,475	\$8,950	\$5,298,400
Summer Term									\$1,790	\$1,059,680
1 BR / 1 BA (RA Units)										
10-Month Lease	7	7	551	3,857	\$0	\$0	\$0	\$0	\$0	\$0
Summer Term									\$0	\$0
3 BR / 2 BA (Manager Units)										
10-Month Lease	2	6	1,178	2,356	\$0	\$0	\$0	\$0	\$0	\$0
Summer Term									\$0	\$0
Building Two										
4 BR / 2 BA (Leasable Units)										
10-Month Lease	90	360	1,060	95,400	\$17,900	\$35,800	\$895	\$4,475	\$8,950	\$3,222,000
Summer Term									\$1,790	\$644,400
1 BR / 1 BA (RA Units)										
10-Month Lease	7	7	551	3,857	\$0	\$0	\$0	\$0	\$0	\$0
Summer Term									\$0	\$0
3 BR / 2 BA (Manager Units)										
10-Month Lease	2	6	1,178	2,356	\$0	\$0	\$0	\$0	\$0	\$0
Summer Term									\$0	\$0
2 BR / 2 BA (Leasable Units)										
10-Month Lease	120	240	709	85,080	\$10,150	\$20,300	\$1,015	\$5,075	\$10,150	\$2,436,000
Summer Term									\$2,030	\$487,200
Total / Average	376	1,218	898	349,786					Gross Potential Academic Rent	\$10,956,400
									Gross Potential Summer Rent	\$2,191,280
									Gross Potential Total Rent	\$13,147,680

Cash Flow Assumptions

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Rental Increase	N/A	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Academic Term Vacancy	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Summer Term Vacancy	100.00%	85.00%	85.00%	85.00%	85.00%	85.00%	85.00%	85.00%	85.00%	85.00%
Increases in Other Income	N/A	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Increase in Expenses	N/A	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Replacement Reserve	\$200	\$206	\$212	\$219	\$225	\$232	\$239	\$246	\$253	\$261

**BOARD OF GOVERNORS
STATE UNIVERSITY SYSTEM OF FLORIDA
Analysis of Method of Sale – Competitive Versus Negotiated Sale**

**Florida Atlantic University
Innovation Village Project**

On behalf of Florida Atlantic University, the FAU Finance Corporation proposes to finance the design, development and construction of an approximately 1,200-bed apartment style student housing community on the north side of the Boca Raton campus in an area designated as Innovation Village (the “Project”). The FAU Finance Corporation proposes to use a negotiated sale for the debt. In accordance with the debt issuance guidelines established by the Board of Governors Debt Management Guidelines, prior to issuing any debt obligations an analysis must be completed to assess the relative benefits of employing a negotiated sale versus a competitive sale.

In determining that a negotiated sale is desirable for the proposed project, FAU considered a number of factors, starting with a competitive ITN process in summer 2008 through which a development team was selected to develop and provide financing for the Project. As part of the transaction structure, a newly establish DSO has been formed (FAU Finance Corporation), which creates a different financing structure than FAU’s previously issued Housing Revenue Bonds (Series 2000, Series 2003, Series 2006A and Series 2006B). The proposed financing structure does not create a senior lien on the revenues of FAU’s existing housing program, though benefits from any available excess revenue generated by the existing housing program once all outstanding debt service, operating expenses, reserve funds and related state bond fees are paid. In creating the financing structure, working with an underwriting firm with local and national expertise in structuring student housing financings has been beneficial in preparing a variety of financial analyses and in working with the rating agencies. Further, because the financing structure is unique and includes the private placement of a separate series of junior debt, FAU Finance Corporation will benefit from having an underwriting firm available to discuss the transaction specifics with potential retail and institutional investors in advance of the bond sale. A negotiated sale also provides the DSO with the flexibility of evaluating the cost-effectiveness of bond insurance or taxable direct-subsidy Build America Bonds at the time the issue is prepared to go to market.

The matrix below further outlines factors taken into consideration in determining that a negotiated sale process would result in the most favorable financing terms and conditions available in the debt capital markets.

Competitive Versus Negotiated Sale
Analysis of Conditions Favoring Each Method of Sale
Florida Atlantic University
Innovation Village Project

Debt Structure	Conditions Favoring a Competitive Sale	Conditions Favoring a Negotiated Sale	Sale Type Favored by Conditions	Explanation
Pledged Revenues	General Obligation or Strong Revenue Stream	Non-tax based or Project Supported Revenues	N	The pledged payments are classified as non-tax based, project supported revenue. Florida law does not allow FAU to issue general obligation bonds and/or permit the pledging of student tuition revenues (i.e. a "general receipts" pledge that includes all non-State revenues of the University). Thus, the pledged revenue structure is weaker than a general receipts or general obligation pledge. Additionally, the debt will not be secured on a parity basis with FAU's existing Housing Revenue Bond issues, but will benefit from any surplus revenues generated from the existing units. This creates a unique pledged revenue structure that is different than what has been used by FAU on prior transactions.
Security Structure	Conventional Resolution and Cash Flow: Rate Covenant and Coverage	Unusual or Weak Covenants	N	The bonds will be secured by a lien on Pledged Revenues as defined in the Trust Indenture to include (i) the net operating revenues of the Project and surplus revenues of the Existing Units, subject to the payment of amounts due the State under the State Bond Resolution, (ii) the DSO's interest in the Ground Lease from the University related to the Project site and the Existing Units land, (iii) an assignment of the development, design, construction and other project agreements with the Developer and the DSO or University. Although the rate covenant and coverage features are strong, in comparison to FAU's existing Housing Revenue Bond debt, the structure is unusual and requires additional marketing efforts.
Debt Instrument	Traditional Serial and Term Bonds, Semi-annual Interest and Annual Maturities	Use of Innovative Structuring, Structure to Attract Particular Investors	N	It is anticipated that the Series A bonds will be structured as publicly offered fixed rate, tax-exempt bonds while the Junior Series B will be privately placed. Because of the innovative structuring, a negotiated sale is warranted. Additionally, the negotiated sale provides flexibility to add credit enhancement or taxable Build America Bonds into the structure if interest cost savings can be achieved.
Size	A transaction size that can be easily absorbed in the market	A large issue size the market cannot readily handle without the need to consolidate syndicates	N	The anticipated \$126.6 million Senior Series A bonds may easily be absorbed in the market in terms of issue size, but the unique security structure warrants additional marketing. The Junior Series B bonds could not be sold in a public offering via competitive sale.
Rating	'A' or Better	Below 'A'	C/N	The credit ratings for the Series A bonds have not yet been determined, although the goal is to achieve 'A' category ratings. As such, it is critical to remain flexible in the financing structure to switch to a fixed rate insured issue if necessary.
Outlook	Stable	Uncertain, Vulnerable or Weak	N	Based on the success of FAU's existing housing program and the demand analysis showing a need for the additional housing, the market outlook for the debt will likely be stable. However, because the Project proforma is based on the construction and stabilization of additional housing units and is not secured on a parity basis with FAU's existing Housing Revenue Bonds, the revenue stream is more uncertain.

Competitive Versus Negotiated Sale
Analysis of Conditions Favoring Each Method of Sale
Florida Atlantic University
Innovation Village Project

Debt Structure	Conditions Favoring a Competitive Sale	Conditions Favoring a Negotiated Sale	Sale Type Favored by Conditions	Explanation
Type of Organization	Well Known, Broad-based General Purpose Borrower	Special Purpose, Independent Authority	N	There is implied credit strength for FAU Finance Corporation from the University; however the University is not legally obligated to repay the debt.
Frequency of Issuance	Regular Borrower in the Public Market	New or Infrequent Issuer	N	The FAU Finance Corporation is a newly established DSO and, as such, not a well known entity in the capital markets.
Market Awareness	Active Secondary Market with Broad Investor Base	Little or No Institutional Awareness of Issuer	N	While the market will be aware of FAU, the FAU Finance Corporation and the newly proposed innovative financing structure is not well known in the capital markets.
Interest Rates	Stable / Predictable Market	Volatile or Declining Market	N	While the market is in considerably better shape than it was a year ago, conditions are still somewhat volatile particularly for credits rated below the 'AA' category. The interest rates on the bonds will be fixed for the life of the financing.
Supply and Demand	Strong Investor Demand, Good Liquidity, Light Forward Calendar	Oversold Market / Heavy Supply	N	As previously mentioned, market conditions are still somewhat unpredictable particularly for credits rated below the 'AA' category. While the Senior Series A bonds should have strong investor demand, the Junior bonds are not able to be sold in the public market via a competitive sale.
Changes or Anticipated Changes in the Law	No Recent or Anticipated Changes	Recent changes which the market has not adapted to and which would require additional marketing efforts to explain	N	There have been recent substantial changes to Florida law regarding the issuance of debt by universities and their direct support organizations. There have also been recent changes to federal law that may provide benefits to the FAU Finance Corporation, including the ability to issue taxable Build America Bonds with a 35% subsidy payment from the federal government.