

COASTAL CAROLINA UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2004

NOTE 9—BONDS PAYABLE

For the University, bonds payable consisted of the following at June 30, 2004:

		Balance at Inception	Interest Rates	Maturity Dates	Balance June 30, 2004
Revenue Bonds					
Series 1999S	\$	24,545,000	4.875% to 5.3%	6/1/2026	\$ 22,330,000
Series 2004 Refunded		13,895,000	4.09%	6/1/2018	<u>3,885,000</u>
Total Revenue Bonds					26,215,000
State Institution General					
Obligation Bonds	\$	8,750,000	3.25% to 4.625%	9/1/2022	<u>8,490,000</u>
Total Bonds Payable					<u>\$ 34,705,000</u>

Revenue bonds are payable from and secured by a pledge of net revenues derived by the University from the operation of the facilities constructed with the bond proceeds, and by a pledge of additional funds, which are all available funds and academic fees of the University except for those which are not (i) otherwise designated or restricted; (ii) funds derived from State appropriations; and (iii) tuition funds pledged to the repayment of State institution bonds, if any. The University has also secured insurance contracts for its revenue bonds which guarantee payment of principal and interest, in the case such required payment has not been made, for a period equal to the final maturity of the bonds. Certain of the bonds payable are callable at the option of the University.

State institution bonds are general obligation bonds backed by the full faith, credit, and taxing power of the State. Tuition revenue is pledged in the amount of \$100 per full time student and \$10 per graduate credit hour. The legal debt margin for general obligation bonds is that the maximum amount of annual debt service shall not exceed ninety percent of the sums received from tuition and fees for the preceding fiscal year. Tuition bonds fees for the preceding year were \$864,426, which results in a legal annual debt service of June 30, 2004 of \$777,983.

The scheduled maturities of the bonds payable by type are as follows:

		Principal	Interest	Payments
<u>Revenue Bonds</u>	2005	<u>790,000</u>	<u>1,302,197</u>	<u>2,092,197</u>
	2006	825,000	1,271,891	2,096,891
	2007	870,000	1,233,297	2,103,297
	2008	905,000	1,192,690	2,097,690
	2009	945,000	1,150,314	2,095,314
	2010-2014	5,455,000	5,041,772	10,496,772
	2015-2019	6,515,000	3,922,472	10,437,472
	2020-2023	3,815,000	2,221,760	6,036,760
		6,095,000	646,070	6,741,070
		<u>\$26,215,000</u>	<u>\$17,982,463</u>	<u>\$44,197,463</u>