

VETERANS HOME BOND PAYMENTS AND RELATED FEES - 1999-2001 BIENNIUM

In 1990 the State Building Authority issued \$1,169,000 of revenue bonds for Veterans Home construction and improvement projects, including construction of a nursing home wing, installation of new heating and ventilating systems, and road and parking lot improvements. The bonds were originally issued for 20 years at 7.45 percent. The State Building Authority refinanced the bonds in 1993 for 17 years at interest rates that range from 2.4 to 6.05 percent. The final payment on the bonds will be made in 2010.

During the 1999-2001 biennium, the Veterans Home made the following payments to the Industrial Commission on these outstanding bonds:

Principal and interest payments		\$248,055
Fees		
Bank of North Dakota fees ¹	\$789	
Audit fees	221	
Financial reports	94	
Financial advisor	107	
Rebate calculations and payments ²	1,103	
Legal fees ³	30	
Total fees		\$2,344
Total 1999-2001 biennium payments		\$250,399
<p>¹ Bank of North Dakota fees include paying agent fees, trustee fees, and transfer agent fees.</p> <p>² Rebate calculations and payments include the fees paid to a certified public accountant for calculating the earnings on the Veterans Home debt service reserve fund compared to the interest payable on the outstanding bonds. The amount of interest earnings on the debt service reserve fund that exceed the interest paid to bondholders on the bond issue must be paid to the Internal Revenue Service.</p> <p>³ Legal fees are paid to an attorney for reviewing the certified public accountant's calculation of the rebates owed to the Internal Revenue Service and is required under federal regulations.</p>		