

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
FLORIDA AGRICULTURAL & MECHANICAL UNIVERSITY
2018 Debt Restructure & Housing
DOE Loan Scenario (HBCU Capital Financing Program)

Historical and Projected Debt Service Coverage

	Historical					Projected						
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018 ⁶	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Operating Revenues^{1,2}												
Existing Housing ³	11,600,052	11,145,846	14,067,751	14,909,918	14,524,115	16,762,316	16,762,316	16,762,316	14,694,899	14,694,899	14,694,899	14,694,899
New 700 Bed Facility	-	-	-	-	-	-	-	-	5,256,160	5,256,160	5,256,160	5,256,160
Total Operating Revenues	11,600,052	11,145,846	14,067,751	14,909,918	14,524,115	16,762,316	16,762,316	16,762,316	19,951,059	19,951,059	19,951,059	19,951,059
Operating Expenses												
Existing Housing ³	6,855,911	7,296,757	7,498,676	7,605,430	6,608,100	8,590,530	8,676,435	8,806,582	6,752,102	6,819,623	6,887,819	6,956,698
New 700 Bed Facility	-	-	-	-	-	-	-	-	2,274,644	2,297,391	2,320,365	2,343,568
Total Operating Expenses⁴	6,855,911	7,296,757	7,498,676	7,605,430	6,608,100	8,590,530	8,676,435	8,806,582	9,026,746	9,117,014	9,208,184	9,300,266
Net Operating (Pledged) Revenues	4,744,141	3,849,089	6,569,075	7,304,488	7,916,015	8,171,786	8,085,881	7,955,734	10,924,313	10,834,045	10,742,875	10,650,793
Annual Debt Service⁷												
Oustanding Parity Bonds	4,361,302	5,912,358	5,915,999	5,916,067	5,921,140	5,923,786	-	-	-	-	-	-
2018A (Refunding/Restructure)	-	-	-	-	-	-	5,881,584	5,022,465	5,023,593	5,023,995	5,019,415	4,480,998
2018B (New Money) ⁵	-	-	-	-	-	-	-	-	3,009,041	3,004,808	3,000,575	3,319,554
Total Annual Debt Service	4,361,302	5,912,358	5,915,999	5,916,067	5,921,140	5,923,786	5,881,584	5,022,465	8,032,634	8,028,803	8,019,990	7,800,552
Revenues Available after Debt Service	382,839	(2,063,269)	653,076	1,388,421	1,994,875	2,248,000	2,204,297	2,933,269	2,891,679	2,805,242	2,722,885	2,850,241
Maximum Annual Debt Service	5,936,908	5,936,908	5,936,908	5,936,908	5,936,908	5,936,908	8,032,634	8,032,634	8,032,634	8,028,803	8,019,990	7,800,885
Debt Service Coverage												
Annual Debt Service	1.09x	0.65x	1.11x	1.23x	1.34x	1.38x	1.37x	1.58x	1.36x	1.35x	1.34x	1.37x
Maximum Annual Debt Service	0.80x	0.65x	1.11x	1.23x	1.33x	1.38x	n/a ⁸	n/a ⁸	1.36x	1.35x	1.34x	1.37x

¹ Projections assume a 4% rental rate increase in fiscal year 2020-21 and another 4% increase in 2024-25.

² Projections assume occupancy of 96%.

³ Existing Housing amounts are adjusted in FY21 for Paddyfote, Truth and Palmetto North to close when the new facility opens.

⁴ Current expenses are net of depreciation. Projections of operating expenses include 30% increase in fiscal year 2017-18 due to increased Operations & Maintenance, with 1%-2% increases in subsequent years.

⁵ New money bond issue structured to generate \$60 million in project funds for new dorm. Assumes 1/1/2019 delivery date and includes capitalized interest through 2020.

⁶ Fiscal year 2017-18 amounts are estimates, provided by FAMU.

⁷ Federal DOE prices the bonds based on final maturity. Preliminary rates for projection purposes range from 3.291% (for refunding/restructure) to 4.120% (for 30-yr new money) and include 25 bps volatility spread for refunding/restructure and 100 bps volatility spread for new money, to be conservative. Federal DOE also charges a 22.5 bps ongoing credit spread.