

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Florida Polytechnic Institute
Acquisition of Phase II and Construction of Phase III

Historical and Projected Debt Service Coverage¹

| | Historical | | | | | | Projected | | | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | FY 2017-18 | FY 2018-19 | FY 2019-20 | FY 2020-21 | FY 2021-22 | FY 2022-23 | FY 2023-24 | FY 2024-25 | FY 2025-26 | FY 2026-27 | FY 2027-28 |
| Operating Revenues | | | | | | | | | | | |
| Existing Phase II Housing Rent ² | \$ 2,822,029 | \$ 3,099,055 | \$ 2,661,027 | \$ 2,910,368 | \$ 3,563,111 | \$ 3,477,711 | \$ 4,016,063 | \$ 4,005,199 | \$ 4,253,739 | \$ 4,381,352 | \$ 4,586,539 |
| New Phase III Housing Rent ³ | - | - | - | - | - | - | - | 4,449,036 | 4,725,949 | 4,867,728 | 5,096,157 |
| Total Operating Revenues | 2,822,029 | 3,099,055 | 2,661,027 | 2,910,368 | 3,563,111 | 3,477,711 | 4,016,063 | 8,454,235 | 8,979,689 | 9,249,080 | 9,682,696 |
| Operating Expenses⁴ | | | | | | | | | | | |
| Existing Phase II Housing | 874,180 | 890,063 | 1,017,038 | 1,028,489 | 1,239,497 | 1,498,075 | 1,339,585 | 1,297,635 | 1,334,509 | 1,374,413 | 1,417,908 |
| New Phase III Housing | - | - | - | - | - | - | 4,674 | 1,078,306 | 1,110,279 | 1,143,376 | 1,180,141 |
| Total Operating Expenses | 874,180 | 890,063 | 1,017,038 | 1,028,489 | 1,239,497 | 1,498,075 | 1,344,258 | 2,375,940 | 2,444,789 | 2,517,788 | 2,598,049 |
| Net Revenue (Pledged Revenue) | \$ 1,947,849 | \$ 2,208,992 | \$ 1,643,989 | \$ 1,881,879 | \$ 2,323,614 | \$ 1,979,636 | \$ 2,671,805 | \$ 6,078,294 | \$ 6,534,900 | \$ 6,731,291 | \$ 7,084,648 |
| Total Annual Debt Service⁵ | \$ 1,373,208 | \$ 1,571,332 | \$ 1,571,332 | \$ 1,571,332 | \$ 1,933,976 | \$ 1,950,382 | \$ 1,620,646 | \$ 4,255,702 | \$ 5,420,231 | \$ 5,413,655 | \$ 5,413,406 |
| Debt Service Coverage Ratio | 1.42 | 1.41 | 1.05 | 1.20 | 1.20 | 1.01 | 1.65 | 1.43 | 1.21 | 1.24 | 1.31 |
| Cash Available After Debt Service | \$ 574,641 | \$ 637,660 | \$ 72,657 | \$ 310,547 | \$ 389,638 | \$ 29,254 | \$ 1,051,159 | \$ 1,822,592 | \$ 1,114,669 | \$ 1,317,636 | \$ 1,671,241 |
| Subordinated Expenses⁶ | | | | | | | | | | | |
| Deposits to Debt Service Reserve Fund | - | - | - | - | - | - | 547,113 | 547,113 | 547,113 | 547,113 | 547,113 |
| University Services | - | - | - | - | - | - | 164,660 | 249,889 | 257,385 | 265,107 | 273,060 |
| Repair & Replacement Reserve Fund Deposit | - | - | - | - | - | - | 108,400 | 200,232 | 206,239 | 212,426 | 218,799 |
| Total Subordinated Expenses | - | - | - | - | - | - | 820,173 | 997,234 | 1,010,738 | 1,024,646 | 1,038,972 |
| Cash Flow After Subordinated Expenses⁷ | \$ 574,641 | \$ 637,660 | \$ 72,657 | \$ 310,547 | \$ 389,638 | \$ 29,254 | \$ 230,986 | \$ 825,358 | \$ 103,932 | \$ 292,990 | \$ 632,269 |

Footnotes

- 1) Above financial data was provided by the University. Historical operational data for Phase II provided by the University through FY22. In absence of FY23 data, the above reflects original projected data from 2015 Board approval.
- 2) Acquisition of Phase II will close June 2023; operational cash flow to the University for will be immaterial. Future periods, assume rental rate increases of 9% in Fiscal 2023-24, 4.5% 2024-25, 4.5% 2025-26, and up to 3% thereafter, commensurate with FL Poly BOT approval of rental rate increases in December 2022.
- 3) Assumes revenue rental rate increases of 4.5% in Fiscal 2025-26 and 3% thereafter.
- 4) Assumes 3% annual increase in operating expenses beginning in FY2025-26.
- 5) Historical debt service for Phase II based on original projections from 2015 Board approval, inclusive of actual debt service plus "Equity Cost" (Preferred Return) payments to Vestcor. Projected debt service (Phases II & III) is shown net of capitalized interest and estimated earnings (1%) on the Reserve Account.
- 6) Certain University expenses, as well as deposits to the Repair and Replacement Reserve Fund, are subordinate to the payment of debt service.