

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Florida Agricultural and Mechanical University
\$102.9M Student Housing Facility

Historical and Projected Debt Service Coverage

Data provided by the University

	Historical					Unaudited	<--- construction phase --->		Projected			
	FY 2018	FY 2019	FY 2020	FY 2021 ³	FY 2022	FY 2023 ⁵	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Operating Revenues^{1,2}												
Existing Housing System	\$ 16,219,283	\$ 16,046,566	\$ 14,953,068	\$ 14,782,807	\$ 16,331,471	\$ 18,557,965	\$ 19,561,876	\$ 20,442,161	\$ 21,551,070	\$ 22,520,868	\$ 23,534,307	\$ 24,593,351
Proposed 700-bed Project	-	-	-	-	-	-	-	-	5,764,220	6,023,610	6,294,672	6,577,933
Total Operating Revenues	\$ 16,219,283	\$ 16,046,566	\$ 14,953,068	\$ 14,782,807	\$ 16,331,471	\$ 18,557,965	\$ 19,561,876	\$ 20,442,161	\$ 27,315,290	\$ 28,544,478	\$ 29,828,979	\$ 31,171,283
Operating Expenses												
Existing Housing System ³	8,031,347	9,839,150	8,159,820	8,599,460	11,764,763	12,662,434	14,145,850	13,057,143	13,573,519	13,777,121	13,914,892	14,054,041
Proposed 700-bed Project	-	-	-	-	-	-	-	-	2,078,315	2,109,490	2,130,585	2,151,891
Total Operating Expenses ⁴	8,031,347	9,839,150	8,159,820	8,599,460	11,764,763	12,662,434	14,145,850	13,057,143	15,651,834	15,886,611	16,045,477	16,205,932
Net Operating Income												
Existing Housing System	8,187,936	6,207,416	6,793,248	6,183,347	4,566,708	5,895,531	5,416,026	7,385,017	7,977,551	8,743,747	9,619,415	10,539,309
Proposed 700-bed Project	-	-	-	-	-	-	-	-	3,685,905	3,914,120	4,164,087	4,426,042
Total Net Operating Income	<u>\$ 8,187,936</u>	<u>\$ 6,207,416</u>	<u>\$ 6,793,248</u>	<u>\$ 6,183,347</u>	<u>\$ 4,566,708</u>	<u>\$ 5,895,531</u>	<u>\$ 5,416,026</u>	<u>\$ 7,385,017</u>	<u>\$ 11,663,456</u>	<u>\$ 12,657,867</u>	<u>\$ 13,783,502</u>	<u>\$ 14,965,351</u>
Annual Debt Service												
Existing Housing System ⁶	5,923,786	506,979	3,173,220	4,762,966	-	-	-	-	-	-	-	-
Proposed 700-bed Project	-	-	-	-	-	-	-	5,407,238	6,992,238	6,994,025	6,991,350	6,994,213
Capitalized Interest	-	-	-	-	-	-	-	(5,407,238)	(5,407,238)	-	-	-
Estimated Annual Debt Service	<u>\$ 5,923,786</u>	<u>\$ 506,979</u>	<u>\$ 3,173,220</u>	<u>\$ 4,762,966</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,585,000</u>	<u>\$ 6,994,025</u>	<u>\$ 6,991,350</u>	<u>\$ 6,994,213</u>
Debt Service Coverage	1.38x	12.24x	2.14x	1.30x	-	-	-	-	7.36x	1.81x	1.97x	2.14x
 Revenues Available after Debt Service	 \$ 2,264,150	 \$ 5,700,437	 \$ 3,620,028	 \$ 1,420,381	 \$ 4,566,708	 \$ 5,895,531	 \$ 5,416,026	 \$ 7,385,017	 \$ 10,078,456	 \$ 5,663,842	 \$ 6,792,152	 \$ 7,971,139

Footnotes

1) Revenue assumes 4.5% annual rental rate increase starting FY25-FY30, pursuant to anticipated FAMU BOT approval (of rate increases) at its December 2023 meeting.

2) Starting in FY25, per FAMU, housing system occupancy rates are assumed to be 99% (average).

3) Revenue impacted by Covid -19 restrictions, such as single occupancy rooms (only) and prorated rents due to shortened semesters.

4) Current expenses are net of depreciation. According to FAMU, growth in operating expenses in FY22 and FY23 reflect the addition of Rattler Pointe (housing apts) to the system as well as general increased cost of personnel.

5) 12% increase in revenue stems from FAMU's acquisition of an existing apartment complex (nka, Rattler Pointe) in late 2022, adding 234 beds to the housing system.

6) In early 2019, the housing system's debt was effectively consolidated into one note with U.S. DOE's HBCU Capital Finance Program, resulting in reduced total debt service that fiscal year. On June 30, 2021, the U.S. Secretary of Education provided loan forgiveness totaling \$111,906,562, effectively eliminating all the university's housing system debt.