

**STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Florida Atlantic University**  
FAU Boca Raton - Student Housing Facility; \$117.75M Bonds  
Two (2)-Tier Revenue Pledge

**Historical and Projected Debt Service Coverage**

	<b>FY 2019</b>	<b>FY 2020<sup>8</sup></b>	<b>Historical FY 2021<sup>8</sup></b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Projected FY 2026</b>	<b>(Project Opens) FY 2027</b>	<b>FY 2028</b>
<b>Housing System 1</b> (FAUFC financed)										
Revenues <sup>4</sup>										
Existing Housing <sup>1</sup>	\$ 19,063,971	\$ 18,944,596	\$ 16,033,141	\$ 26,968,795	\$ 27,145,938	\$ 26,981,550	\$ 26,749,887	\$ 27,946,212	\$ 31,542,573	\$ 32,477,240
Project <sup>4</sup>	-	-	-	-	-	-	-	-	7,656,376	8,589,284
Total Revenue:	19,063,971	18,944,596	16,033,141	26,968,795	27,145,938	26,981,550	26,749,887	27,946,212	39,198,950	41,066,524
Operating Expenses										
Existing Housing	(9,227,958)	(8,060,502)	(4,219,295)	(5,898,806)	(9,362,764)	(9,670,733)	(10,027,585)	(10,199,154)	(10,133,758)	(10,329,335)
Project	-	-	-	-	-	-	-	-	(2,374,122)	(2,421,604)
Total Operating Expenses:	(9,227,958)	(8,060,502)	(4,219,295)	(5,898,806)	(9,362,764)	(9,670,733)	(10,027,585)	(10,199,154)	(12,507,880)	(12,750,939)
<b>Net Operating Income</b>	<b>\$ 9,836,013</b>	<b>\$ 10,884,094</b>	<b>\$ 11,813,846</b>	<b>\$ 21,069,989</b>	<b>\$ 17,783,174</b>	<b>\$ 17,310,817</b>	<b>\$ 16,722,302</b>	<b>\$ 17,747,058</b>	<b>\$ 26,691,070</b>	<b>\$ 28,315,585</b>

**\*\* The Debt will be further secured by a 2nd lien pledge of Housing System 2 net income after the payment of debt service on Housing System 2's bonds. \*\***

<b>Housing System 2</b> (DBF financed)										
Revenues <sup>2</sup>	\$ 19,302,720	\$ 16,335,770	\$ 13,575,072	\$ 16,646,086	\$ 17,158,925	\$ 17,058,882	\$ 17,799,734	\$ 18,803,772	\$ 18,791,986	\$ 19,355,746
Operating Expenses	(8,024,323)	(7,144,481)	(6,535,435)	(7,313,646)	(7,684,037)	(7,338,809)	(7,645,901)	(7,778,915)	(7,758,306)	(7,907,290)
Net Operating Income	11,278,397	9,191,289	7,039,637	9,332,440	9,474,889	9,720,073	10,153,832	11,024,857	11,033,680	11,448,456
Debt Service	(5,379,550)	(5,392,300)	(5,386,800)	(4,313,550)	(4,310,550)	(4,321,550)	(4,320,550)	(4,317,800)	(4,318,050)	(4,315,800)
<b>** Net Income after payment of Debt Service</b>	<b>\$ 5,898,847</b>	<b>\$ 3,798,989</b>	<b>\$ 1,652,837</b>	<b>\$ 5,018,890</b>	<b>\$ 5,164,339</b>	<b>\$ 5,398,523</b>	<b>\$ 5,833,282</b>	<b>\$ 6,707,057</b>	<b>\$ 6,715,630</b>	<b>\$ 7,132,656</b>
<b>Pledged Revenues<sup>9</sup></b>	<b>\$ 15,734,860</b>	<b>\$ 14,683,083</b>	<b>\$ 13,466,683</b>	<b>\$ 26,088,879</b>	<b>\$ 22,947,513</b>	<b>\$ 22,709,340</b>	<b>\$ 22,555,585</b>	<b>\$ 24,454,115</b>	<b>\$ 33,406,700</b>	<b>\$ 35,448,240</b>
<b>Total Debt Service</b> (Housing System 1 only)	<b>\$ 3,963,439</b>	<b>\$ 9,491,267</b>	<b>\$ 10,675,204</b>	<b>\$ 12,219,809</b>	<b>\$ 14,220,998</b>	<b>\$ 14,212,752</b>	<b>\$ 14,211,032</b>	<b>\$ 13,889,700</b>	<b>\$ 21,787,950</b>	<b>\$ 21,787,200</b>
<b>Debt-Coverage Ratio<sup>5</sup></b>	<b>3.97</b>	<b>1.55</b>	<b>1.26</b>	<b>2.13</b>	<b>1.61</b>	<b>1.60</b>	<b>1.59</b>	<b>1.76</b>	<b>1.53</b>	<b>1.63</b>

**Footnotes**

- Housing System 1 represents the following housing facilities: Atlantic Park Towers, Innovation Village Apartments North & South, Parliament Hall, and Jupiter Residence Hall III.
- Housing System 2 represents the following housing facilities: Glades Park Towers, Heritage Park Towers, Indian River Towers, and University Village Apartments.
- Housing System 3 is comprised of Jupiter campus Residence Halls I & II. They are not included in this analysis since they are not part of Housing Systems 1 or 2; i.e. they are financed by (and their revenues are pledged solely to) the FAU Foundation.
- The 12% increase in revenue for the Project from FY27 to FY28 is due to a lease up. Data reflects BOT-approved rental rate increases (approved March 2024) of up to 5.00% per year in FY24, FY25, and FY26, and a 3% escalator thereafter.
- FAU Housing debt service is satisfied in the following structure: All net operating income is first pledged to DBF debt service. Once DBF debt service is satisfied, the remaining net operating income is pledged to the FAUFC debt service.
- The assumed interest rate used for the proposed FAUFC Debt Service is 5.00%.
- The University assumed occupancy rates for current housing at 97%, while the proposed project is assumed at 95%. FAU's current actual housing occupancy is 99%.
- FY20 & FY21 housing system performance was impacted by the pandemic.
- The Bonds will be secured by Pledged Revenue, comprised of a first priority lien on the net income of Housing System 1, plus a second priority pledge of Housing System 2's net income after the payment of its debt service obligations (1st priority) on the DBF-issued bonds.