

**BOARD OF GOVERNORS**  
**STATE UNIVERSITY SYSTEM OF FLORIDA**  
**Preliminary Cash Flow Analysis**  
**Florida Atlantic University**  
**Innovation Village Project**

Fiscal Year Ending June 30,	2012	2013	2014	2015	2016	2017	2018	2019
<b>EXISTING HOUSING UNITS</b>								
Housing Fees, Interest Income & Other Operating Revenue	15,955,297	16,433,956	16,926,974	17,434,784	17,957,827	18,496,562	19,051,459	19,623,002
LESS: Annual Debt Service (Existing Units) <sup>2</sup>	5,761,935	5,766,685	5,765,723	5,761,904	5,765,904	5,773,266	5,772,516	5,768,798
Annual Operating Expenses	7,245,504	7,462,869	7,686,755	7,917,357	8,154,878	8,399,524	8,651,510	8,911,055
Existing Units Net Revenue	2,947,858	3,204,402	3,474,497	3,755,522	4,037,045	4,323,771	4,627,432	4,943,150
Debt Service Coverage Ratio	1.51	1.56	1.60	1.65	1.70	1.75	1.80	1.86
<b>NEW HOUSING at INNOVATION VILLAGE</b>								
Existing Units Net Revenue	\$2,947,858	\$3,204,402	\$3,474,497	\$3,755,522	\$4,037,045	\$4,323,771	\$4,627,432	\$4,943,150
Rental Revenue	\$10,956,400	\$11,285,092	\$11,623,645	\$11,972,354	\$12,331,525	\$12,701,470	\$13,082,515	\$13,474,990
LESS: Student Vacancies	547,820	564,255	581,182	598,618	616,576	635,074	654,126	673,750
Summer Revenue	2,191,280	2,257,018	2,324,729	2,394,471	2,466,305	2,540,294	2,616,503	2,694,998
LESS: Summer Vacancies	2,191,280	1,918,466	1,976,020	2,035,300	2,096,359	2,159,250	2,224,027	2,290,748
Net Rental Revenues	10,408,580	11,059,390	11,391,172	11,732,907	12,084,894	12,447,441	12,820,864	13,205,490
Other Revenues	130,089	133,992	138,011	142,152	146,416	150,809	155,333	159,993
Investment Earnings on DSRF <sup>3</sup>	0	170,364	170,364	170,364	170,364	170,364	170,364	170,364
New Housing Net Revenue	10,538,669	11,363,746	11,699,548	12,045,423	12,401,675	12,768,614	13,146,562	13,535,848
Total Net Revenues	\$13,486,527	\$14,568,148	\$15,174,045	\$15,800,946	\$16,438,720	\$17,092,385	\$17,773,994	\$18,478,997
Rental	\$31,000	\$31,930	\$32,888	\$33,875	\$34,891	\$35,937	\$37,016	\$38,126
Payroll	689,895	710,592	731,910	753,867	776,483	799,777	823,771	848,484
Operating Administrative	537,497	553,622	570,231	587,337	604,958	623,106	641,800	661,054
Trust Administrative	116,387	119,879	123,475	127,179	130,995	134,924	138,972	143,141
Common Area	61,000	62,830	64,715	66,656	68,656	70,716	72,837	75,022
Ground	24,000	24,720	25,462	26,225	27,012	27,823	28,657	29,517
Utilities	1,273,172	1,311,367	1,350,708	1,391,229	1,432,966	1,475,955	1,520,234	1,565,841
Interior Unit Expenses	152,120	156,684	161,384	166,226	171,212	176,349	181,639	187,088
Maintenance	21,600	22,248	22,915	23,603	24,311	25,040	25,792	26,565
Taxes & Insurance	379,375	390,756	402,479	414,553	426,990	439,800	452,994	466,583
Replacement Reserve	243,600	250,908	258,435	266,188	274,174	282,399	290,871	299,597
Non-Cash Items	4,500	4,635	4,774	4,917	5,065	5,217	5,373	5,534
Bond Trustee & Rating Agency Fees	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Total Operating Expenses	\$3,554,146	\$3,660,170	\$3,769,375	\$3,881,857	\$3,997,712	\$4,117,044	\$4,239,955	\$4,366,554
Net Operating Income	\$9,932,381	\$10,907,978	\$11,404,669	\$11,919,089	\$12,441,008	\$12,975,342	\$13,534,039	\$14,112,443
Annual Debt Service (Senior A Bonds) <sup>4</sup>	2,707,016	7,791,838	8,211,225	8,514,350	8,515,775	8,518,125	8,516,438	8,517,013
Debt Service Coverage	3.67	1.40	1.39	1.40	1.46	1.52	1.59	1.66
Breakeven Occupancy (New Beds w Existing Net Revenue)	24.21%	58.66%	58.77%	57.97%	55.14%	52.42%	49.71%	47.06%
Breakeven Occupancy (New Bed Revenue Only)	46.63%	82.32%	83.68%	84.11%	82.42%	80.79%	79.18%	77.63%
Net Cash Flow (Before Junior B Bonds)	\$7,225,366	\$3,116,140	\$3,193,444	\$3,404,739	\$3,925,233	\$4,457,217	\$5,017,601	\$5,595,431
Annual Debt Service (Junior B Bonds)	651,994	298,864	296,467	299,070	301,273	298,077	299,881	296,286
Debt Service Coverage	2.96	1.35	1.34	1.35	1.41	1.47	1.54	1.60
Net Cash Flow (Before Subordinate C Bonds)	\$6,573,372	\$2,817,277	\$2,896,978	\$3,105,669	\$3,623,960	\$4,159,140	\$4,717,720	\$5,299,145
Annual Debt Service (Subordinate C Bonds)	2,231,909	990,375	988,900	991,963	989,100	990,775	991,525	991,350
Debt Service Coverage	1.78	1.20	1.20	1.22	1.27	1.32	1.38	1.44
Net Cash Flow	\$4,341,462	\$1,826,902	\$1,908,078	\$2,113,707	\$2,634,860	\$3,168,365	\$3,726,195	\$4,307,795

<sup>1</sup> The financial information related to the revenues and expenses for the existing housing facilities was provided by the University.

<sup>2</sup> Includes Series 2003, Series 2006 and Series 2006A bonds.

<sup>3</sup> Based on an interest rate of 2.00%.

<sup>4</sup> Debt service is shown net of capitalized interest.

**BOARD OF GOVERNORS**  
**STATE UNIVERSITY SYSTEM OF FLORIDA**  
**Preliminary Unit Mix for Cash Flow Analysis**  
**Florida Atlantic University**  
**Innovation Village Project**

Unit Type	# of Units	# of Beds	Square Footage		2009-10 Rents per Unit		2009-10 Rents per Bed			Total Rent
			Per Apt.	Total	Semester	Annual	Monthly	Semester	Annual	
<b>Building One</b>										
4 BR / 2 BA (Leasable Units)										
10-Month Lease	148	592	1,060	156,880	\$17,900	\$35,800	\$895	\$4,475	\$8,950	\$5,298,400
Summer Term									\$1,790	\$1,059,680
1 BR / 1 BA (RA Units)										
10-Month Lease	7	7	551	3,857	\$0	\$0	\$0	\$0	\$0	\$0
Summer Term									\$0	\$0
3 BR / 2 BA (Manager Units)										
10-Month Lease	2	6	1,178	2,356	\$0	\$0	\$0	\$0	\$0	\$0
Summer Term									\$0	\$0
<b>Building Two</b>										
4 BR / 2 BA (Leasable Units)										
10-Month Lease	90	360	1,060	95,400	\$17,900	\$35,800	\$895	\$4,475	\$8,950	\$3,222,000
Summer Term									\$1,790	\$644,400
1 BR / 1 BA (RA Units)										
10-Month Lease	7	7	551	3,857	\$0	\$0	\$0	\$0	\$0	\$0
Summer Term									\$0	\$0
3 BR / 2 BA (Manager Units)										
10-Month Lease	2	6	1,178	2,356	\$0	\$0	\$0	\$0	\$0	\$0
Summer Term									\$0	\$0
2 BR / 2 BA (Leasable Units)										
10-Month Lease	120	240	709	85,080	\$10,150	\$20,300	\$1,015	\$5,075	\$10,150	\$2,436,000
Summer Term									\$2,030	\$487,200
<b>Total / Average</b>	<b>376</b>	<b>1,218</b>	<b>898</b>	<b>349,786</b>					<b>Gross Potential Academic Rent</b>	<b>\$10,956,400</b>
									<b>Gross Potential Summer Rent</b>	<b>\$2,191,280</b>
									<b>Gross Potential Total Rent</b>	<b>\$13,147,680</b>

*Cash Flow Assumptions*

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Rental Increase	N/A	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Academic Term Vacancy	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Summer Term Vacancy	100.00%	85.00%	85.00%	85.00%	85.00%	85.00%	85.00%	85.00%	85.00%	85.00%
Increases in Other Income	N/A	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Increase in Expenses	N/A	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Replacement Reserve	\$200	\$206	\$212	\$219	\$225	\$232	\$239	\$246	\$253	\$261