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FLORIDA STATE  
UNIVERSITY

# Florida State University Bond Rating Presentation

June 2022



FLORIDA STATE  
UNIVERSITY

# BOARD OF GOVERNORS UPDATE



## Board of Governors Update

**Florida remains the #1 state for higher education 5 years running**  
(US News and World Report)

### 2022 Legislative Session

- Education & General Budget = \$5.6B
  - \$3.6B state appropriation & \$2.0B student tuition/fee
  - Overall increase of \$266.4 M (+5.0%)
- Performance-based Funding = \$560M (same as last year)
- Total Fixed Capital Outlay (FCO) Funding = \$940M (+431% over last year)
  - The outsized increase in FCO is due to funding of special Board and Legislative initiatives, and should be considered nonrecurring in nature:
    - ✓ \$443.7M to address deferred capital renewal/replacement needs
    - ✓ \$496.5M appropriated for FCO projects



## Board of Governors Update - Continued

- University operations have normalized as the effects of the COVID-19 pandemic have eased
- The State University System (SUS) received significant federal support to offset the financial impact of COVID-19
- Collectively, SUS universities received over \$1.6 billion in federal funds during FY19-20 and FY20-21; approximately \$632.4 million for financial aid support to students and \$968.2 million for university support (defraying expenses and lost revenues associated with the coronavirus pandemic)

Federal COVID-19 Relief Funding to the SUS (CARES, CRRSAA and ARPA)			
Finalized numbers, per US DOE			
	Student Aid	Institutional Support	Total
FAMU	\$31,323,840	\$164,095,383	\$195,419,223
FAU	\$57,642,818	\$82,787,145	\$140,429,963
<b>FSU</b>	<b>\$69,527,110</b>	<b>\$85,226,562</b>	<b>\$154,753,672</b>
UF	\$75,697,370	\$92,720,463	\$168,417,833
USF	\$86,845,743	\$112,666,219	\$199,511,962
UNF	\$29,469,214	\$37,371,470	\$66,840,684
UWF	\$18,071,139	\$24,715,498	\$42,786,637
UCF	\$130,343,794	\$184,047,141	\$314,390,935
FIU	\$101,060,276	\$144,009,333	\$245,069,609
NCF	\$1,916,003	\$2,275,567	\$4,191,570
FGCU	\$27,616,986	\$34,817,113	\$62,434,099
FL POLY	\$2,875,085	\$3,460,393	\$6,335,478
<b>TOTAL</b>	<b>\$632,389,378</b>	<b>\$968,192,287</b>	<b>\$1,600,581,665</b>



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# UNIVERSITY UPDATE



## FSU BOT and Senior Management Changes

### Board of Trustees Changes

<u>University Trustees</u>	<u>Term Expires</u>
Peter Collins (Chair) - Tampa, FL	January 6, 2026
Maximo Alvarez - Miami, FL	January 6, 2026
Kathryn Ballard - Tallahassee, FL	January 6, 2023
Eric Chicken - Tallahassee, FL	April 22, 2024
Vivian de las Cuevas-Diaz – Miami, FL	January 6, 2026
Jorge Gonzalez - Panama City Beach, FL	January 6, 2023
Jim W. Henderson - Lake Mary, FL	January 6, 2023
Nimna Gabadage (University Student Body President) - Tallahassee, FL	April 13, 2024
TBD	January 6, 2026
Deborah Sargeant - Gulf Stream, FL	January 6, 2026
Bob Sasser - Coral Gables, FL	January 6, 2025
John Thiel - Clearwater, FL	January 6, 2025
Drew Weatherford - Tampa, FL	January 6, 2026



## **FSU BOT and Senior Management Changes - Continued**

### **Senior Management Changes**

- Dr. Richard McCullough new President effective August 2021
- Dr. James Clark new Provost effective January 2022
- Vice President for Research – search is in progress; Dr. Mark Riley is currently serving as Interim VP
- Vice President for Advancement – search is in progress; Dr. Michael Hartline currently serving as Interim Vice President for University Advancement and Interim President of the FSU Foundation
- Michael Alford new Vice President and Director of Athletics effective December 2021





## Strategic Plan

Florida State University's 2017-2022 Strategic Plan (FSU is the Future of Florida) was released on October 28, 2016.

**Goal 1:** Entrepreneurship and Innovation - Deepening our distinctive commitment to continuous innovation

**Goal 2:** Academic and Research Excellence - Amplifying excellence across our academic and research programs

**Goal 3:** Diversity and Inclusion - Realizing the full potential of diversity and inclusion

**Goal 4:** Student Success (part 1) - Ensuring student success on campus and beyond

**Goal 5:** Student Success (part 2) - Preparing our graduates for 21<sup>st</sup> century careers

**Goal 6:** Excellence and Reputation - Investing strategically in our institution and reputation

University's Strategic Plan website (<https://strategicplan.fsu.edu>) includes initiatives, tactics, and metrics for each Goal, with activities and accomplishments.



## Strategic Plan - Continued

- For the tenth consecutive year, FSU placed in the top five most efficient universities, according to *U.S. News & World Report*
- Florida State University retained its Top 20 ranking among national public universities in the latest *U.S. News & World Report*
- Princeton Review ranked Florida State University No. 11 Best Value College among public colleges and universities
- Florida State was recognized for the sixth consecutive year by *INSIGHT Into Diversity* magazine as a “Diversity Champion” in higher education
- The Association of Public and Land-grant Universities named FSU the winner of the 2021 Degree Competition Award



## Strategic Plan - Continued

- Record Student Success Rates
  - FSU's four-year graduation rate remains among the highest in the nation and the highest in Florida at 74%
  - FSU's six-year graduation rate was 83.2%, also among the highest in the nation
  - Importantly, FSU has erased graduation rate gaps between its traditional and underrepresented student populations
- Return on Investment
  - According to U.S. News and World Report's academic rankings, FSU provides one of the best returns on investment in the country, as noted through FSU's consistent recognition as one of the Top 5 most efficient universities in the country
  - FSU also spends among the lowest in the nation on administrative costs per student
- Top Faculty Awards
  - FSU is one of the nation's top research institutions for producing Fulbright U.S. Scholars with eight FSU faculty members earning prestigious Fulbright awards
  - As part of the Fulbright award, faculty members teach and research all around the world



## Enrollment and Demand

	<u>Fall 2019</u>	<u>Fall 2020</u>	<u>Fall 2021</u>
<b>Total Headcount</b>	42,876	43,953	45,493
<b>Total FTE Enrollment</b>	40,167	40,720	42,147
<b>Undergraduate Headcount</b>	33,679	32,902	33,932
<b>Undergraduate FTE</b>	32,373	31,537	32,641
<b>In-State Students</b>	86.2%	86.5%	85.2%
<b>International Students</b>	5.2%	4.6%	4.8%
<b>High School GPA</b>	4.0 – 4.4	4.1 – 4.5	4.1 – 4.5
<b>SAT</b>	1250 – 1360	1270 – 1370	1230 – 1360
<b>ACT</b>	28 – 31	28 – 31	27 – 31
<b>Freshman Applicants</b>	47,565	52,605	55,823
<b>Freshman Acceptances</b>	15,830	16,424	18,683
<b>Freshman Matriculants</b>	4,156	3,826	4,900
<b>Retention Rate (Freshman to Sophomore)</b>	93.1%	94.5%	93.6%
<b>Four Year Graduation Rate</b>	68.4%	71.6%	73.6%
<b>Six Year Graduation Rate</b>	83.1%	84.1%	83.2%



## Enrollment and Demand - Continued

Continued strong demand with strategic focus on top-quality enrollment and retention

For Fall 2021:

- Applications increased by 4,170 or 5.4 % to 80,988 (76,818 in 2020 which was +8k more than 2019)
- Admitted 26,544, or 32.8 % (vs 25,123 or 32.7 % in 2020)

Believe the increase in applications is driven from increased positive press and significant increase in various national rankings over the past few years combined with the implementation of Coalition applications in 2018, so students may complete either institutional or coalition applications



## Enrollment and Demand - Continued

### Fall 2021 freshman admits (middle 50%):

- Academic Core GPA: 4.1-4.5
- ACT Composite: 27-31
- SAT Total: 1230-1360

### Fall 2021 freshman admits (all):

- 64% had all A/B grades
- 50% had calculus or higher-level math

### Fall 2021 enrollment of Florida residents:

- Undergraduate: 89.4%
- Graduate: 74.7%
- Overall: 85.2%



## Fiscal Year 2021 Financial Results

Historical Summary of Statement of Revenues, Expenses, and Changes in Net Position (in millions)

	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
<b>Operating Revenues</b>			
Net Student Tuition and Fees	\$ 216,991	\$ 206,516	\$ 280,911
Federal Grants and Contracts	168,002	166,992	191,969
State and Local Grants and Contracts	22,674	20,174	19,947
Nongovernmental Grants and Contracts	14,640	14,490	10,060
Sales and Services of Auxiliary Enterprises	179,846	173,607	185,048
Interest on Loans and Notes Receivable	262	266	216
Other Operating Revenue	6,874	8,368	9,542
<b>Total Operating Revenue</b>	<b>609,289</b>	<b>590,413</b>	<b>697,693</b>
<b>Operating Expenses</b>			
Compensation and Employee Benefits	804,651	874,247	913,731
Services and Supplies	283,114	265,635	256,997
Utilities and Communications	35,083	34,161	29,748
Scholarships and Fellowships	117,664	136,881	141,619
Depreciation	85,376	89,376	92,175
<b>Total Operating Expenses</b>	<b>1,325,888</b>	<b>1,400,300</b>	<b>1,434,270</b>
<b>Total Operating Loss</b>	<b>\$ (716,599)</b>	<b>\$ (809,887)</b>	<b>\$ (736,577)</b>



## Fiscal Year 2021 Financial Results

### Historical Summary of Statement of Revenues, Expenses, and Changes in Net Position (in millions)

	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
<b>Non-Operating Revenues (Expenses)</b>			
State Noncapital Appropriations	\$ 498,951	\$ 488,261	\$ 507,295
Federal and State Student Financial Aid	156,883	187,443	191,681
Noncapital Grants, Contracts, and Gifts	80,703	85,688	59,117
Net Investment Income	35,131	39,960	(18,941)
Other Non-Operating Revenue	1,549	10,034	9,567
Loss on Disposal of Capital Assets	(7,321)	(3,256)	(58)
Interest on Asset-Related Debt	(10,377)	(10,263)	(9,817)
Other Non-Operating Expenses	(4,147)	(1,049)	(2,991)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>751,372</b>	<b>796,818</b>	<b>735,853</b>
 <b>Income (Loss) Before Contributions</b>	 <b>34,773</b>	 <b>(13,069)</b>	 <b>(724)</b>
 <b>Contributions and Transfers</b>			
Capital Appropriations	49,824	23,168	6,447
Capital Grants, Contracts and Donations	4,366	3,645	13,137
<b>Increase in Net Position</b>	<b>88,963</b>	<b>13,744</b>	<b>18,860</b>
 Net Position, Beginning of Year	 2,013,362	 2,102,325	 2,116,069
Adjustment to Beginning Net Position	0	0	0
<b>Net Position, End of Year</b>	<b>\$ 2,102,325</b>	<b>\$ 2,116,069</b>	<b>\$ 2,134,929</b>





## Fiscal Year 2021 Financial Results - Continued

- The university's total operating revenues were higher by \$107.3 million, or 18.2%, compared to the prior fiscal year.
- Net tuition and fees increased by \$74.4 million mainly due to a \$17.4 million increase in tuition and fees assessed resulting from record-high enrollments, along with a \$57 million decrease in scholarship allowances resulting from a change in accounting estimate.
- The \$20.3 million increase in grants and contracts revenues resulted primarily from an increase in Federal grants and contracts, including the Higher Education Emergency Relief Fund (HEERF).
- Sales and services of auxiliary enterprises increased by \$11.4 million (6.6%) as reductions in revenues related to the pandemic were offset by a number of factors, the largest of which was the onboarding of a new auxiliary, Florida Virtual Campus.
- Operating expenses increased by \$34 million, or 2.4%, compared to the prior fiscal year.
- Compensation and employee benefits were \$39.5 million higher largely because of graduate student tuition remission of \$42.6 million which was reclassified as compensation and employee benefits expense related to the same change in accounting estimate for scholarship allowances noted above.
- Services and supplies decreased by \$8.6 million (3.3%).
- Scholarships and Fellowships were higher by \$4.7 million, primarily driven by a slight increase in State Bright Futures scholarships.



## Fiscal Year 2021 Financial Results - Continued

- Net nonoperating revenues decreased by \$61 million, or 7.7%, from 2019-20.
  - State noncapital appropriations were higher by \$19 million due to an increase in general appropriations.
  - Noncapital grants, contracts, and gifts decreased by \$26.6 million and was mainly driven by reduced transfers from the university's component units.
  - Unrealized losses of \$33 million due to the change in the fair value of underlying securities held in the State Treasurer's Investment Pool contributed to the overall decrease in investment earnings.
- Capital appropriations decreased by \$16.7 million, or 72.2%, primarily due to decreases in both general revenue and public education capital outlay funding.
- Works of art contributed to the university during the fiscal year largely led to the \$9.5 million increase in capital grants, contracts, donations, and fees.



## Operating Budget

### Total Operating Budget Summary

	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023 *</u>
Education & General - State Support	\$ 559,262,019	\$ 577,930,951	\$ 683,959,780
Education & General - Tuition and Fees	218,019,322	225,980,551	241,625,270
Designated	77,236,169	81,307,886	95,991,035
Auxiliary	254,328,990	288,971,258	397,783,219
Debt Service	26,620,015	28,061,637	45,902,557
Restricted	465,091,780	570,517,038	484,109,658
Capital Projects	147,385,271	287,236,954	293,579,238
Component Units	106,759,385	112,132,988	123,927,812
<b>Total</b>	<b>\$ 1,854,702,951</b>	<b>\$ 2,172,139,263</b>	<b>\$ 2,366,878,569</b>

*\* Draft pending approval by FSU Board of Trustees*



## Fiscal Year 2022 Operating Budget

- Approved by the BOT on June 17, 2021
- Budget based on a full return to campus and pre-pandemic operations in August 2021
- No official spending restrictions for FY22 (aside from some remaining pandemic-related restrictions, e.g., selected travel)
- No increase to tuition or fees themselves, though enrollment-related increases to associated budgets
- Relatively large “First Time in College” class of 7,000+ (500+ larger than planned)



## Fiscal Year 2023 Operating Budget

- Will be presented for approval by BOT on June 22, 2022
- Increase of \$193M from FY22 budget (9%)
- New state appropriations of \$86M, including
  - \$45M recurring operating enhancement fund
  - \$16M increase in tuition and fee budget driven by enrollment (no tuition & fee increases)
- New State capital funding of \$204M
  - FSU Health Center - \$125M
  - Deferred Maintenance - \$71M
  - Mag Lab Critical Infrastructure - \$8M
- State Data Center transition to FSU - \$80M



## State Appropriations

	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>
<b>Operations</b>			
General Revenue	\$ 321,165,566	\$ 330,871,018	\$ 332,226,348
Lottery	53,672,030	60,879,922	72,127,729
Preeminence	58,487,179	58,487,179	58,487,179
Performance	54,935,981	54,144,150	53,879,537
<b>Total</b>	<b>\$ 488,260,756</b>	<b>\$ 504,382,269</b>	<b>\$ 516,720,793</b>

<b>Capital</b>			
General Revenue	\$ 4,233,813	\$ -	\$ 34,638,185
PECO	342,304	153,000	19,353,901
CITF	3,869,074	3,926,212	4,508,474
<b>Total</b>	<b>\$ 8,445,191</b>	<b>\$ 4,079,212</b>	<b>\$ 58,500,560</b>



## Tuition and Fees (2021-2022 Undergraduate Tuition & Fees)

	<u>Resident</u>	<u>Non-Resident</u>
<b>Tuition:</b>		
Tuition	\$ 105.07	\$ 105.07
Student Financial Aid Fee	5.25	5.25
Capital Improvement Trust Fund Fee	4.76	4.76
Out-of-State Fee		481.48
Student Financial Aid Fee		24.07
<b>Subtotal</b>	<b>115.08</b>	<b>620.63</b>
<b>Fees:</b>		
Athletic Fee	7.90	7.90
Activity and Service Fee	12.86	12.86
Health Fee	13.97	13.97
Transportation Fee	8.90	8.90
Tuition Differential Fee	49.59	49.59
Student Affairs Facility Use Fee	2.00	2.00
Technology Fee	5.25	5.25
<b>Subtotal</b>	<b>100.47</b>	<b>100.47</b>
<b>Total per Credit Hour</b>	<b>215.55</b>	<b>721.10</b>
<b>FSUCard Term Fee (Fall &amp; Spring only)</b>	<b>5.00</b>	<b>5.00</b>
<b>Student Affairs Facility Use Fee per semester</b>	<b>20.00</b>	<b>20.00</b>
<b>Academic Year (30 Hours)</b>	<b>\$ 6,516.50</b>	<b>\$ 21,683.00</b>



## Research

### FY 2021 Update

Total Awards increased by \$24.9M to \$275M

- Federal Awards increased by \$24.2M
- U.S. Department of Education took over as the largest funding source at \$93.5M, followed by NSF at \$48.5M and HHS at \$46.4M

Total Expenditures decreased by \$7.3M to \$221.1M

- Federal expenditures make up 82.8% of the total expenditures for FY 2021.





## Fundraising

Philanthropic dollars raised between the end of our last campaign, which ended June 30, 2018, through June 6, 2022:

- \$492.1 million / 279,668 gifts
- \$259.3 million raised for Special University Priorities During this Timeframe
  - Student Support - \$65.6 million
    - CARE Program
    - Experiential Learning
    - Honors Program
    - Presidential Scholars
    - Additional Student Support
  - Faculty Support - \$193.7 million

Development officers are back to meeting with donors in face-to-face settings. We have seen an increase in the maturity of our estate gifts in the past two years as well as an increase in new estate gifts as the pandemic has caused many donors to evaluate/re-evaluate their estate plans.

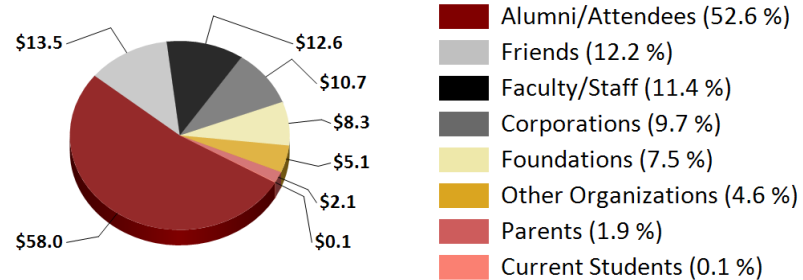


## Fundraising - Continued

Philanthropic dollars raised in fiscal year 2022 through April 30, 2022:

DSO	Commitments To-Date
FSU Foundation	\$ 76,228,258
Seminole Boosters	29,920,269
Alumni Association	687,912
Research Foundation	1,560,002
Ringling Museum	1,882,635
<b>Total</b>	<b>\$ 110,279,076</b>

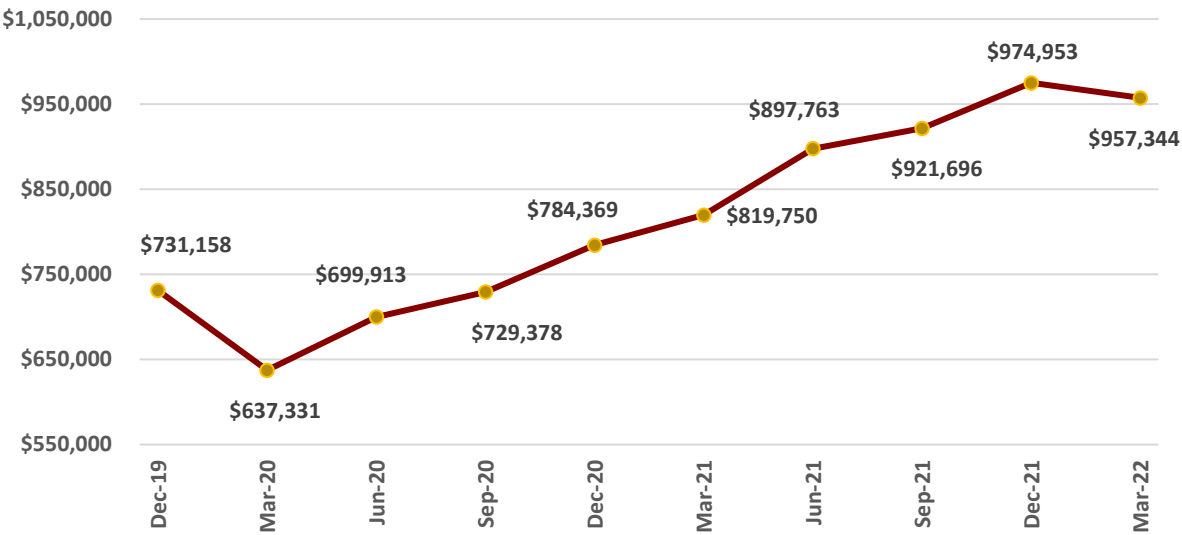
Fiscal Year-to-Date by Source (Millions)





Endowment

Historical Total University Endowment

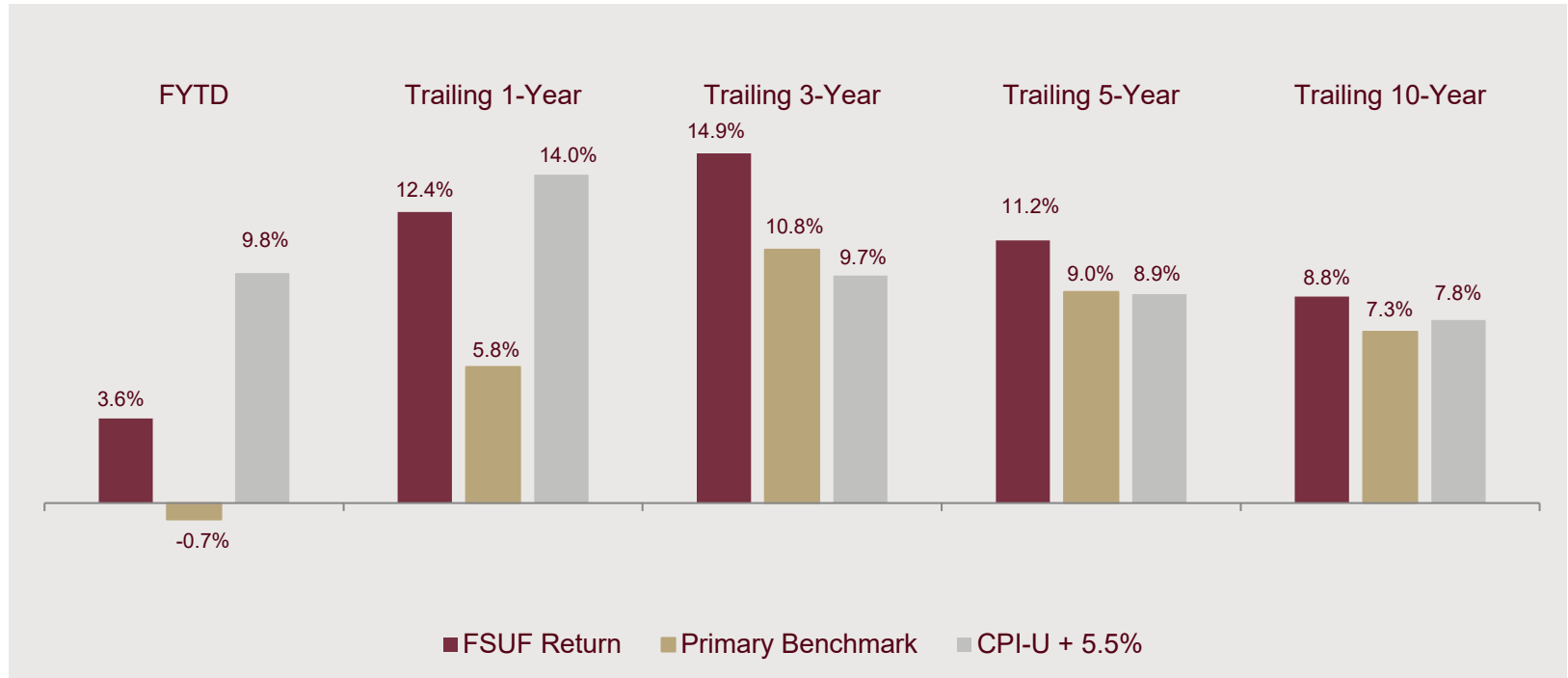


Quarter End	<u>FSU</u> <u>Foundation</u>	FSU Research <u>Foundation</u>	<u>Seminole</u> <u>Boosters</u>	Ringling Museum of Art <u>Foundation</u>	Total University <u>Endowment</u>
3/31/22	726,455,530	150,053,757	78,445,014	2,389,230	957,343,531



## Endowment - Continued

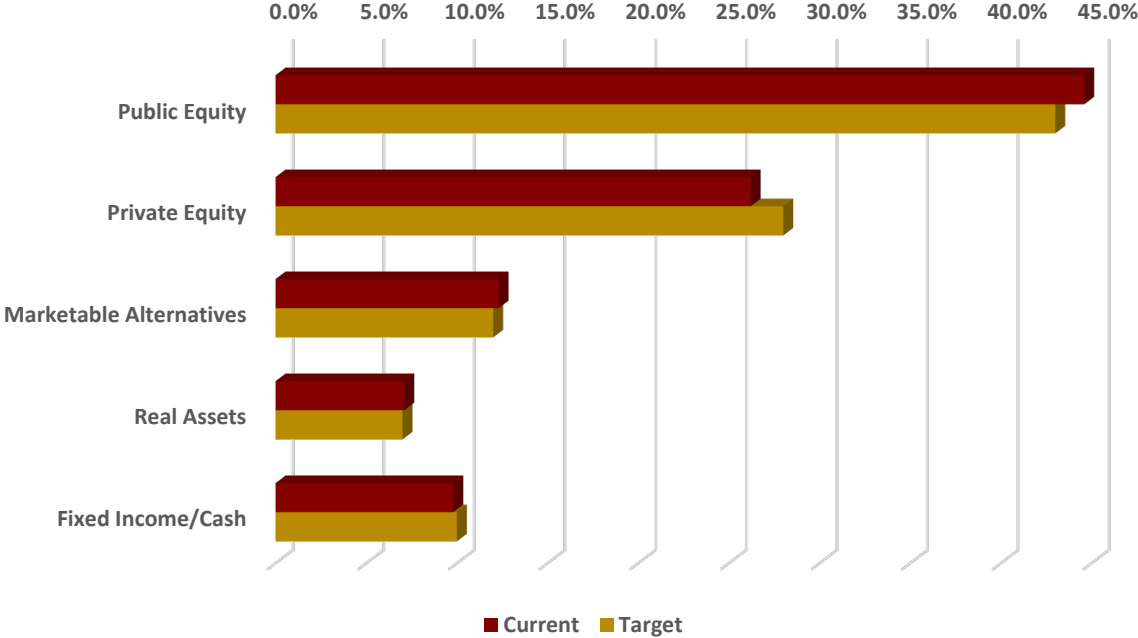
FSU Foundation Endowment Returns – March 31, 2022





# Endowment - Continued

FSU Foundation Asset Allocation – March 31, 2022





## Endowment Support and Spending Policy

Five-Year History of transfers from the Endowment to the University:

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 43,388,946	\$ 45,919,297	\$ 53,018,837	\$ 43,808,794	\$ 44,055,205

Spending policy has remained the same with a 4% spending distribution to Colleges/Units and a 1.5% administrative fee. There have been no discussions to make changes.



## Liquidity

<u>Type</u>	<u>Amount</u>
<b>University</b>	
Cash	\$ 10,678,478
Cash Restricted	2,000,928
Investments - SPIA <sup>1</sup>	905,465,272
Investments - Other <sup>2</sup>	19,980,927
<b>University Total</b>	<b><u>\$ 938,125,605</u></b>
<b>DSOs</b>	
Cash	\$ 27,370,538
Cash Restricted	24,780,622
Investments @ FV	252,907,473
Investments @ NAV	795,575,019
Investments - Other <sup>3</sup>	44,078,378
<b>DSOs Total</b>	<b><u>\$ 1,144,712,030</u></b>

<sup>1</sup> Liquidations Notice: Less than \$20M same day, between \$20M-\$75M 5-days, greater than \$75M 20-days

<sup>2</sup> Includes mutual funds and FSU Foundation investment pooling

<sup>3</sup> Primarily SBA Florida PRIME (\$42.9M)



## Capital and Debt Plans

### 2021-2022 Construction Budget

<u>Project</u>	<u>Amount</u>
Student Union Expansion Phase I	\$ 86,730,726
Interdisciplinary Research & Commercialization Building	23,373,668
Legacy Hall College of Business	13,269,990
Doak Campbell Stadium-DAS Installation	11,000,000
Biology Unit I 2nd Floor Renovations	9,000,000
FSUS STEAM Building	6,538,668
Biology Unit I 3rd Floor Renovations	5,184,243
All Others	132,139,659
<b>Total Annual Distribution by Project</b>	<b><u>\$ 287,236,954</u></b>





## Capital and Debt Plans

<b>Project</b>	<b>Funding Source</b>				
	<b>State Capital Appropriations</b>	<b>University Funds</b>	<b>DSO</b>	<b>Debt</b>	<b>Total Project Cost</b>
Student Union Expansion (1)	\$ 34,520,612	\$ 88,341,531	\$ 19,223,376	\$ -	\$ 142,085,519
Legacy Hall, College of Business	44,000,000	1,971,847	42,028,153	-	88,000,000
Interdisciplinary Research Commercialization Building (2)	44,000,000	-	44,000,000	-	88,000,000
Kellogg Building Remodel	-	12,000,000	23,000,000	-	35,000,000
Biology Unit I 3rd Floor Renovations	-	19,800,000	-	-	19,800,000
FSU Schools STEAM Building	9,500,000	6,500,000	1,000,000	-	17,000,000
Hoffman Teaching Lab Renovations	-	16,800,000	-	-	16,800,000
Biology Unit I 2nd Floor Renovations	-	13,208,000	-	-	13,208,000
Doak Campbell Stadium-DAS Installation	-	-	11,000,000	-	11,000,000
Center for Advanced Power Systems Rch Building	-	8,750,000	-	-	8,750,000
Infrastructure, Repairs & Renovations, Minor Projects	426,604	103,845,378	38,773,207	-	143,045,189
<b>Total Capital Improvement Projects</b>	<b>\$ 132,447,216</b>	<b>\$ 271,216,756</b>	<b>\$ 179,024,736</b>	<b>\$ -</b>	<b>\$ 582,688,708</b>

(1) Student Union Project expected to be partially funded by bonds issued in August/September 2022.

(2) IRCB Project was partially funded by a DSO bank loan issued in April 2022.



FLORIDA STATE  
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# **RATED AUXILIARY SYSTEMS UPDATE**



# Housing System

## Historical Debt Service Coverage from Pledged Revenues (Unaudited)

	Fiscal Year Ended June 30,				
	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
Operating Revenues	\$ 42,485,845	\$ 48,518,893	\$ 47,973,616	\$ 42,905,062 <sup>4</sup>	\$ 33,114,259
Less Current Expenses <sup>1</sup>	22,735,543	24,694,726	23,237,465	22,824,450	20,247,359
Net Operating Revenues	19,750,302	23,824,167	24,736,151	20,080,612	12,886,900
Plus Investment Income <sup>2</sup>	1,204,287	1,278,698	1,205,704	2,785,860	1,483,737
Pledged Revenues	<u>\$ 20,954,589</u>	<u>\$ 25,102,865</u>	<u>\$ 25,941,855</u>	<u>\$ 22,866,472</u>	<u>\$ 14,350,637</u>
<b>Debt Service</b>					
Annual Debt Service	13,968,675 <sup>3</sup>	15,296,475	15,285,425	15,299,906	15,294,831
Maximum Debt Service	15,306,113	15,306,113	15,306,113	15,306,113	15,294,831
<b>Debt Service Coverage Ratios</b>					
Annual Debt Service	1.50	1.64	1.70	1.49	0.94
Maximum Debt Service	1.37	1.64	1.69	1.49	0.94

<sup>1</sup> Total current expenses are net of depreciation.

<sup>2</sup> Investment income presented in this table includes only interest earned on the Housing System operating account.

<sup>3</sup> In addition to the Annual Debt Service shown, on September 29, 2016 the Housing System paid \$12,286 of accrued interest and \$970,000 in principal to redeem the 2017 through 2022 maturities of the 1993 bonds.

<sup>4</sup> Impacted by \$6.9 million of refunds made to students in spring 2020. Does not include \$3 million of CARES funds into the system to offset a portion of the refunds.



# Housing System

## Projected Debt Service Coverage from Pledged Revenues (Unaudited)

	Fiscal Year Ended June 30,				
	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>
Operating Revenues	\$ 49,680,744	\$ 50,834,845	\$ 51,852,735	\$ 52,891,020	\$ 53,948,840
Less Current Expenses <sup>1</sup>	23,713,228	24,739,107	25,344,559	25,598,199	25,854,181
Net Operating Revenues	25,967,516	26,095,738	26,508,176	27,292,821	28,094,659
Plus Investment Income <sup>2</sup>	578,490	1,463,949	1,493,228	1,523,092	1,553,554
Pledged Revenues	<u>\$ 26,546,006</u>	<u>\$ 27,559,687</u>	<u>\$ 28,001,404</u>	<u>\$ 28,815,913</u>	<u>\$ 29,648,214</u>
<b>Debt Service</b>					
Annual Debt Service	14,697,815	14,716,156	14,260,906	14,260,656	14,204,606
Maximum Debt Service	14,716,156	14,716,156	14,262,656	14,262,656	14,204,606
<b>Debt Service Coverage Ratios</b>					
Annual Debt Service	1.81	1.87	1.96	2.03	2.09
Maximum Debt Service	1.80	1.87	1.96	2.03	2.09

<sup>1</sup> Total current expenses are net of depreciation.

<sup>2</sup> Investment income presented in this table includes only interest earned on the Housing System operating account.



# Housing System

## Occupancy and Capacity

Year	Total Housing Capacity	Total Occupancy	Occupancy as % of Capacity	Total Housing Applications Received	Total Full-Time Students	% of Full-Time Students Living on Campus
2017-18 <sup>1</sup>	6,712	6,705	99.9%	9,902	35,371	19.0%
2018-19	6,713	6,638	98.9%	9,329	35,242	18.8%
2019-20	6,707	6,650	99.2%	9,620	36,060	18.4%
2020-21 <sup>2</sup>	5,847	4,539	77.6%	9,150	35,848	12.7%
2021-22	6,695	6,654	99.4%	8,791	37,018	18.0%

<sup>1</sup> Capacity increased for Fall 2017 as a result of opening Azalea and Magnolia.

<sup>2</sup> Capacity reduced for Fall 2020 by 860 beds to allow for social distancing and including reserving 746 beds for the potential quarantine of students who test positive for COVID-19.



## Parking System

### Historical Debt Service Coverage from Pledged Revenues (Unaudited)

	Fiscal Year Ended June 30,				
	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
Operating Revenues	\$ 12,064,191	\$ 12,092,786	\$ 11,984,321	\$ 12,229,569	\$ 11,513,042
Less Current Expenses <sup>1</sup>	3,514,614	3,247,595	3,133,402	2,881,253	3,226,314
Net Operating Revenues	8,549,577	8,845,191	8,850,919	9,348,316	8,286,728
Plus Investment Income <sup>2</sup>	110,474	148,014	189,568	347,531	203,678
Pledged Revenues	<u>\$ 8,660,051</u>	<u>\$ 8,993,205</u>	<u>\$ 9,040,487</u>	<u>\$ 9,695,847</u>	<u>\$ 8,490,406</u>
<b>Debt Service<sup>3</sup></b>					
Annual Debt Service	4,714,306	4,739,518	4,735,680	4,742,030	4,737,257
Maximum Debt Service	4,742,030	4,742,030	4,742,030	4,742,030	4,737,257
<b>Debt Service Coverage Ratios</b>					
Annual Debt Service	1.84	1.90	1.91	2.04	1.79
Maximum Debt Service	1.83	1.90	1.91	2.04	1.79

<sup>1</sup> Total current expenses are net of depreciation and subordinate transit expenses.

<sup>2</sup> Investment income presented in this table includes only interest earned on the Parking System operating account.

<sup>3</sup> Historical debt service is shown net of accrued and capitalized interest associated with the issuance of bonds in those years.



## Parking System

### Projected Debt Service Coverage from Pledged Revenues (Unaudited)

	Fiscal Year Ended June 30,				
	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>
Operating Revenues	\$ 12,607,179	\$ 12,656,000	\$ 12,909,120	\$ 13,167,302	\$ 13,430,648
Less Current Expenses <sup>1</sup>	4,685,001	4,662,666	4,755,919	4,851,037	4,948,058
Net Operating Revenues	7,922,178	7,993,334	8,153,201	8,316,265	8,482,590
Plus Investment Income <sup>2</sup>	198,158	130,309	132,915	135,573	138,285
Pledged Revenues	<u>\$ 8,120,336</u>	<u>\$ 8,123,643</u>	<u>\$ 8,286,116</u>	<u>\$ 8,451,838</u>	<u>\$ 8,620,875</u>
<b>Debt Service</b>					
Annual Debt Service	4,317,250	3,657,750	2,607,750	2,602,750	1,827,750
Maximum Debt Service	4,317,250	3,657,750	2,607,750	2,602,750	1,827,750
<b>Debt Service Coverage Ratios</b>					
Annual Debt Service	1.88	2.22	3.18	3.25	4.72
Maximum Debt Service	1.88	2.22	3.18	3.25	4.72

<sup>1</sup> Total current expenses are net of depreciation and subordinate transit expenses.

<sup>2</sup> Investment income presented in this table includes only interest earned on the Parking System operating account.



## Mandatory Student Fee (Wellness Center)

### Historical Debt Service Coverage from Pledged Revenues (Unaudited)

	Fiscal Year Ended June 30,				
	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
Pledged Revenues	\$ 14,941,184	\$ 15,026,217	\$ 14,901,456	\$ 15,451,764	\$ 15,316,355
<b>Debt Service</b>					
Annual Debt Service	2,381,500	2,379,100	2,379,700	2,378,100	2,379,300
Maximum Debt Service <sup>1</sup>	2,382,800	2,382,800	2,382,800	2,382,800	2,379,300
<b>Debt Service Coverage Ratios</b>					
Annual Debt Service	6.27	6.32	6.26	6.50	6.44
Maximum Debt Service	6.27	6.31	6.25	6.48	6.44

<sup>1</sup> Maximum debt service occurs in Fiscal Year 2022.





## Mandatory Student Fee (Wellness Center)

### Projected Debt Service Coverage from Pledged Revenues (Unaudited)

	Fiscal Year Ended June 30,				
	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>
Pledged Revenues	\$ 15,400,000	\$ 15,400,000	\$ 15,400,000	\$ 15,400,000	\$ 15,400,000
<b>Debt Service</b>					
Annual Debt Service	1,744,725	1,743,000	1,739,000	1,742,250	1,742,250
Maximum Debt Service <sup>1</sup>	1,744,725	1,744,000	1,744,000	1,744,000	1,744,000
<b>Debt Service Coverage Ratios</b>					
Annual Debt Service	8.83	8.84	8.86	8.84	8.84
Maximum Debt Service	8.83	8.83	8.83	8.83	8.83

<sup>1</sup> Maximum debt service occurs in Fiscal Year 2022.



FLORIDA STATE  
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# **MANDATORY STUDENT FACILITY FEE BONDS (STUDENT UNION PROJECT)**



## New Student Union

- FSU's prior student union, Oglesby Union, was originally constructed in 1952
- The University's enrollment has grown significantly since then and Oglesby Union was no longer adequate to meet the needs of the student body population
- The new student union consists of approximately 148,000 square feet and includes a ballroom, meeting rooms, lounges, offices, student activity venues, dining venues, bookstore, and support/storage space
- Construction began in mid 2018 with the demolition of Oglesby Union. Completion is expected in August 2022
- Total project budget of \$143.8 million, including \$129.0 million in construction costs
- Project initially funded with variety of available University funds and internal loans, and the proposed debt issuance will reimburse a portion of the total construction expenditures



## Mandatory Student Facility Fee Bonds

- The Mandatory Student Facility Fee Bonds, Series 2022A (the “2022A Bonds”) will finance a portion of the construction of the new student union on FSU’s main campus
- 2022A Bonds will be secured by a first lien on the gross revenues derived from the mandatory Student Facility Use Fee charged to almost all students at the main campus of the university
- The 2022A Bonds are anticipated to be structured as tax-exempt, fixed rate, 20-year bonds with level annual debt service
  - Estimated Par Amount: \$46.8 million (subject to change)
  - Annual Debt Service: \$3.45 million
  - No debt service reserve fund
  - 10-year par call
- Expected sale in August/September 2022
- No additional parity bonds expected to be issued



## Student Facility Use Fee

- FSU's Student Facility Use Fee (the "Fee") was established by the Board of Trustees pursuant to Section 1009.24(14)(p), Florida Statutes, and Board of Governors regulation 7.003(18)(e)
- The Fee was instituted in Fall 2008 and is currently equal to \$2 per credit hour plus \$20 per semester and is mandatory for students on FSU's main campus (with limited exceptions)
- University collects the Fee as part of the tuition payment and registration process at the beginning of each semester
- FSU received legislative approval to issue debt secured by the Fee to finance the new student union in the FY 2022-23 General Appropriations Act, subject to an annual debt service limit of \$4 million



## Pledged Revenues and Debt Service Coverage

- The 2022A Bonds will be structured to maximize proceeds while maintaining a minimum 1.20x debt service coverage ratio in each year
  - Additional Bonds Test will require 1.20x coverage based on average pledged revenues over prior two fiscal years
- Over the next several years, the University anticipates a continued focus on increasing quality of students and graduating students in 4 years rather than growing enrollment. As a result, Pledged Revenues are estimated to remain flat through the projection period
- Pledged Revenues are estimated at \$4,137,995 for FY 2021-22 and projected to remain at \$4,134,000 through FY 2025-26

<u>Fiscal Year</u>	<u>Pledged Revenues</u>	<u>Annual Debt Service</u>	<u>Annual Coverage Ratio</u>	<u>MADS Coverage Ratio</u>
<i>Historical</i>				
2016-17	\$3,981,071	-	-	-
2017-18	3,989,352	-	-	-
2018-19	4,111,133	-	-	-
2019-20	4,011,251	-	-	-
2020-21	4,099,378	-	-	-
<i>Projected</i>				
2021-22	\$4,137,995	-	-	-
2022-23	4,134,000	\$3,441,400	1.20x	1.20x
2023-24	4,134,000	3,443,600	1.20x	1.20x
2024-25	4,134,000	3,443,200	1.20x	1.20x
2025-26	4,134,000	3,440,200	1.20x	1.20x



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# FSU RESEARCH FOUNDATION UPDATE



# FSU Research Foundation

## Historical Debt Service Coverage from Pledged Revenues (Unaudited)

	Fiscal Year Ended June 30,				
	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
Net Pledged Rental Revenues	\$ 3,040,804	\$ 3,083,733	\$ 2,640,409	\$ 3,068,202	\$ 3,083,146
Net Operating Expenses	1,918,012	2,015,608	1,971,356	2,029,862	1,953,470
Pledged Revenues	<u>\$ 1,122,792</u>	<u>\$ 1,068,125</u>	<u>\$ 669,053</u>	<u>\$ 1,038,340</u>	<u>\$ 1,129,676</u>
<b>Debt Service</b>					
Annual Debt Service	\$ 873,950	\$ 873,500	\$ 872,300	\$ 875,300	\$ 872,300
Maximum Debt Service	\$ 873,950	\$ 873,950	\$ 873,950	\$ 875,300	\$ 873,950
<b>Debt Service Coverage Ratios, Pledged Revenues</b>					
Annual Debt Service	1.28	1.22	0.77 <sup>2</sup>	1.19 <sup>2</sup>	1.30
Maximum Debt Service	1.28	1.22	0.77 <sup>2</sup>	1.19 <sup>2</sup>	1.29
Total Revenues Available for Debt Service <sup>1</sup>	\$ 2,839,796	\$ 2,865,043	\$ 2,447,705	\$ 2,811,963	\$ 2,916,821
<b>Debt Service Coverage Ratios, Total Revenues</b>					
Annual Debt Service	3.25	3.28	2.81	3.21	3.34
Maximum Debt Service	3.25	3.28	2.80	3.21	3.34

<sup>1</sup> Total Revenues Available for Debt Service includes the additional revenue available after factoring in Expenses Paid by the University.

<sup>2</sup> During FY 2019, a major tenant occupying 1.5 floors of Building B purchased their own building and moved out in August 2018 resulting in a major decrease in rental revenues causing a temporary decrease in the debt service coverage ratio. Renovations to ready the space for new tenants took much longer than anticipated. Renovations of the 3rd and 2nd floors were completed in May 2019 and August 2019, respectively. The space was fully occupied thereafter. In addition, various rental rate increases were implemented effective July 1, 2019.





## FSU Research Foundation - Continued

### Projected Debt Service Coverage from Pledged Revenues (Unaudited)

	Fiscal Year Ended June 30,				
	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>
Net Pledged Rental Revenues	\$ 3,083,146	\$ 3,144,809	\$ 3,207,705	\$ 3,271,859	\$ 3,337,297
Net Operating Expenses	1,962,958	1,981,254	2,001,379	2,023,517	2,047,869
Pledged Revenues	<u>\$ 1,120,188</u>	<u>\$ 1,163,555</u>	<u>\$ 1,206,326</u>	<u>\$ 1,248,342</u>	<u>\$ 1,289,428</u>
<b>Debt Service</b>					
Annual Debt Service	\$ 873,500	\$ 868,700	\$ 873,100	\$ 873,100	\$ 868,500
Maximum Debt Service	\$ 873,950	\$ 873,950	\$ 873,950	\$ 873,950	\$ 873,950
<b>Debt Service Coverage Ratios, Pledged Revenues</b>					
Annual Debt Service	1.28	1.34	1.38	1.43	1.48
Maximum Debt Service	1.28	1.33	1.38	1.43	1.48
Total Revenues Available for Debt Service <sup>1</sup>	\$ 2,900,188	\$ 2,943,555	\$ 2,986,326	\$ 3,028,342	\$ 3,069,428
<b>Debt Service Coverage Ratios, Total Revenues</b>					
Annual Debt Service	3.32	3.39	3.42	3.47	3.53
Maximum Debt Service	3.32	3.37	3.42	3.47	3.51

<sup>1</sup> Total Revenues Available for Debt Service includes the additional revenue available after factoring in Expenses Paid by the University.



## IRCB Loan

- In April 2022, FSU Research Foundation issued \$44.075 million bank loan to finance a portion of costs of acquisition and construction of the Interdisciplinary Research and Commercialization Building on FSU's main campus
  - 2.51% taxable rate with annual amortizations and level annual debt service
  - Callable at par any time after 1 year
  - Total project cost estimated at \$88 million, with \$44 million funded by PECO funds
- IRCB Loan is not on a parity with the pledged revenues securing the Series 2012 Bonds, but it is on parity with the assets and revenues available under the Research Foundation's unconditional guaranty of the Series 2012 Bonds
- Bank loan includes a covenant requiring a ratio of unrestricted liquidity to the IRCB Loan of 1.5x, tested annually
- No cross-default or cross-acceleration provisions