

THE MARSHALL CENTER

The Marshall Center serves as the student union for the University's Tampa Campus. The Marshall Center was originally built in 1960 as a 107,000 square foot structure to serve the needs of the University's small but growing population. In 2008, the University completed construction of the new Marshall Center which replaced the original Marshall Center and is an approximately 229,000 square foot state-of-the-art facility that provides the University community with food service operations, retail venues, conference and meeting spaces, and student organization space.

The Marshall Center Revenues are the primary source of revenues pledged by the Financing Corporation under the Indenture. "Marshall Center Revenues" means the Marshall Center Use Fees, the Allocable Portion of the A&S Fees and the Retail and Rental Revenues. See "Historical Summary of Revenues and Expenditures" below for more information.

UNIVERSITY OF SOUTH FLORIDA Marshall Student Center

Combined Statements of Activities and Changes in Net Assets Historical Summary of Fiscal Balances (Unaudited Special Purpose Financial Reports)

Fiscal Year Ended June 30,

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Assets ⁽¹⁾					
Cash & Investments	\$4,453,070	\$5,381,494	\$6,951,256	\$7,482,270	\$7,859,554
Designated Reserves ⁽²⁾	2,621,245	2,399,895	2,401,592	2,402,712	2,405,591
Accounts Receivable	<u>179,665</u>	<u>189,823</u>	<u>170,848</u>	<u>92,849</u>	<u>136,514</u>
Total Assets	<u>\$7,253,980</u>	<u>\$7,971,212</u>	<u>\$9,523,696</u>	<u>\$9,977,831</u>	<u>\$10,401,659</u>
Liabilities					
Current Liabilities	<u>\$27,482</u>	<u>\$5,068</u>	<u>\$14,502</u>	<u>\$8,504</u>	<u>\$30,948</u>
Total Liabilities	\$27,482	\$5,068	\$14,502	\$8,504	\$30,948
Net Change in Fund Balance	\$449,314	\$739,646	\$1,543,050	\$460,133	\$401,384
Fund Balance Beginning of Year	<u>6,777,184</u>	<u>7,226,498</u>	<u>7,966,144</u>	<u>9,509,194</u>	<u>9,969,327</u>
Fund Balance End of Year	<u>\$7,226,498</u>	<u>\$7,966,144</u>	<u>\$9,509,194</u>	<u>\$9,969,327</u>	<u>\$10,370,711</u>
Total Liabilities and Fund Equity	<u>\$7,253,980</u>	<u>\$7,971,212</u>	<u>\$9,523,696</u>	<u>\$9,977,831</u>	<u>\$10,401,659</u>

NOTES

- (1) Capital assets and related outstanding debt are maintained at the University System level or by the Financing Corporation, not at the Housing System level. As a result, these activities are not included in this financial report.
- (2) Designated reserves are funds segregated in amounts equal to maximum annual debt service pursuant to bond agreements. The reserve balance decreased in fiscal year 2015 in response to the refunding of the debt related to the Marshall Center at a lower interest rate, thus, resulting in a lower debt service reserve requirement.

Source: University of South Florida

**UNIVERSITY OF SOUTH FLORIDA
Marshall Student Center**

**Historical Summary of Revenues and Expenditures ⁽¹⁾
(Unaudited Special Purpose Financial Reports)**

Fiscal Year Ended June 30,

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Operating Income					
Marshall Center Use Fees ⁽²⁾	\$3,692,671	\$3,765,098	\$3,822,812	\$3,852,817	\$3,876,925
Allocable Portion of the A&S Fees ⁽³⁾	2,761,034	2,915,128	2,793,308	2,785,854	2,877,796
Retail and Rental Revenues	<u>1,353,358</u>	<u>1,440,632</u>	<u>1,549,045</u>	<u>1,537,745</u>	<u>1,595,323</u>
Total Operating Income	\$7,807,063	\$8,120,858	\$8,165,165	\$8,176,416	\$8,350,044
Operating Expenses					
Salaries and Benefits	\$2,187,784	\$2,251,487	\$2,369,339	\$2,501,614	\$2,513,063
Direct Operating Expenses ⁽⁴⁾	884,057	881,976	903,099	1,177,711	1,144,538
Telephone and Utilities	949,128	964,117	905,400	908,271	932,896
Administrative Overhead	<u>241,074</u>	<u>241,041</u>	<u>243,976</u>	<u>269,884</u>	<u>258,369</u>
Total Operating Expenses	\$4,262,043	\$4,338,621	\$4,421,814	\$4,857,480	\$4,848,866
Net Operating Income	\$3,545,020	\$3,782,237	\$3,743,351	\$3,318,936	\$3,501,178
Interest on Investments	<u>20,445</u>	<u>30,034</u>	<u>26,707</u>	<u>43,381</u>	<u>118,785</u>
Net Operating Income Plus Interest	\$3,565,465	\$3,812,271	\$3,770,058	\$3,362,317	\$3,619,963
Other Expenses					
Net Transfers to USFFC for Debt Service ⁽⁵⁾	\$2,660,690	\$2,662,929	\$1,798,298	\$2,401,595	\$2,397,645
Net Transfers to (from) other USF Funds ⁽⁶⁾	445,049	401,939	416,154	435,796	672,968
Capital Outlay & Major Improvements	<u>10,412</u>	<u>7,757</u>	<u>12,556</u>	<u>64,793</u>	<u>147,966</u>
Total Other Expenses	\$3,116,151	\$3,072,625	\$2,227,008	\$2,902,184	\$3,218,579
Net Change in Fund Balance	\$449,314	\$739,646	\$1,543,050	\$460,133	\$401,384
Fund Balance Beginning of Year	<u>6,777,184</u>	<u>7,226,498</u>	<u>7,966,144</u>	<u>9,509,194</u>	<u>9,969,327</u>
Fund Balance End of Year	<u>\$7,226,498</u>	<u>\$7,966,144</u>	<u>\$9,509,194</u>	<u>\$9,969,327</u>	<u>\$10,370,711</u>

NOTES

- (1) Capital assets and related outstanding debt are maintained at the University System level or by the Financing Corporation, not at the department level. As a result, these activities are not included in this financial report.
- (2) The Marshall Center Use Fee is assessed at \$1.50 per credit hour and a flat fee of \$20 per semester. The Marshall Center Use Fee income has increased over the past five years coinciding with increases in student headcount and student credit hours.
- (3) The Activity & Service (A&S) Fee is assessed at \$12.08 per credit hour and a portion is allocated for Marshall Center operations based on expected operating costs.
- (4) The increases in direct operating expenses in fiscal years 2017 was due to an increased number of maintenance and minor renovation projects, and the replacement of furniture, computers and other equipment that was past its useful life.
- (5) The Marshall Center lease payments were equal to 120% of the Series 2005C debt service. In May 2015, the Series 2005C Certificates were refunded for savings with the issuance of the Series 2015 Bonds. The lease payment for the new Series 2015 Bonds equals 100% of debt service. Excess funds from the former 20% debt service cushion requirement were utilized to pay debt service in fiscal year 2016; therefore the net transfer to USFFC was reduced.
- (6) Net transfers to (from) other USF funds primarily represents the annual reconciliation of the allocable portion of the A&S fees, with funds in excess of those needed

Source: University of South Florida

The following table shows Marshall Center Revenues and the calculation of debt service coverage for the five most recent fiscal years:

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Marshall Center Use Fees	\$3,692,671	\$3,765,098	\$3,822,812	\$3,852,817	\$3,876,925
Allocable Portion of the A&S Fees	2,761,034	2,915,128	2,793,308	2,785,854	2,877,796
Retail and Rental Revenues	<u>1,353,358</u>	<u>1,440,632</u>	<u>1,549,045</u>	<u>1,537,745</u>	<u>1,595,323</u>
Total Marshall Center Revenues	\$7,807,063	\$8,120,858	\$8,165,165	\$8,176,416	\$8,350,044
Net Operating Income Plus Interest	\$3,565,465	\$3,812,271	\$3,770,058	\$3,362,317	\$3,619,963
Annual Debt Service ⁽¹⁾	\$2,608,631	\$2,626,352	\$2,393,195	\$2,400,395	\$2,370,445
Coverage Ratio	2.99	3.09	3.41	3.41	3.52
Net Coverage Ratio	1.37	1.45	1.58	1.40	1.53

NOTES

- (1) Annual Debt Service represents the actual Principal and Interest paid to bondholders. In May 2015, the Series 2005C Certificates were refunded for savings with the issuance of the Series 2015 Bonds, resulting in lower Annual Debt Service beginning in fiscal year 2016.