

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 Fiscal Balances" and "Historical Summary of Revenues and Expenditures" below for more information.

COVID-19 Disclosure

In March 2020, the University of South Florida converted to remote instruction in response to the public health crisis created by the COVID-19 pandemic. Marshall Center Use Fees and Retail and Rental Revenue in fiscal year 2020 were adversely affected by the pandemic. Simultaneously, the Marshall Student Center implemented cost-cutting measures to preserve essential liquidity and maintain lease payments.

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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Assets ⁽¹⁾					
Cash & Investments	\$6,951,256	\$7,482,270	\$7,859,554	\$9,084,578	\$9,407,794
Designated Reserves ⁽²⁾	2,401,592	2,402,712	2,405,591	2,410,433	2,506,663
Accounts Receivable	<u>170,848</u>	<u>92,849</u>	<u>136,514</u>	<u>24,116</u>	<u>46,176</u>
Total Assets	<u>\$9,523,696</u>	<u>\$9,977,831</u>	<u>\$10,401,659</u>	<u>\$11,519,127</u>	<u>\$11,960,633</u>
Liabilities					
Current Liabilities	<u>\$14,502</u>	<u>\$8,504</u>	<u>\$30,948</u>	<u>\$3,014</u>	<u>\$4,601</u>
Total Liabilities	\$14,502	\$8,504	\$30,948	\$3,014	\$4,601
Net Change in Fund Balance	\$1,543,050	\$460,133	\$401,384	\$1,145,402	\$439,919
Fund Balance Beginning of Year	<u>7,966,144</u>	<u>9,509,194</u>	<u>9,969,327</u>	<u>10,370,711</u>	<u>11,516,113</u>
Fund Balance End of Year	<u>\$9,509,194</u>	<u>\$9,969,327</u>	<u>\$10,370,711</u>	<u>\$11,516,113</u>	<u>\$11,956,032</u>
Total Liabilities and Fund Equity	<u>\$9,523,696</u>	<u>\$9,977,831</u>	<u>\$10,401,659</u>	<u>\$11,519,127</u>	<u>\$11,960,633</u>

NOTES

- (1) Capital assets and related outstanding debt are maintained at the University System level or by the Financing Corporation, not at the Marshall Student Center level. As a result, these activities are not included in this financial report.
- (2) Designated reserves are funds held at the Trustee in an amount equal to maximum annual debt service pursuant to bond agreements.

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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Operating Income					
Marshall Center Use Fees ⁽²⁾⁽³⁾	\$3,822,812	\$3,852,817	\$3,876,925	\$3,887,026	\$3,161,528
Allocable Portion of the A&S Fees ⁽⁴⁾	2,793,308	2,785,854	2,877,796	2,766,978	2,782,779
Retail and Rental Revenues ⁽³⁾	<u>1,549,045</u>	<u>1,537,745</u>	<u>1,595,323</u>	<u>1,545,679</u>	<u>1,228,809</u>
Total Operating Income	\$8,165,165	\$8,176,416	\$8,350,044	\$8,199,683	\$7,173,116
Operating Expenses					
Salaries and Benefits	\$2,369,339	\$2,501,614	\$2,513,063	\$2,536,777	\$2,643,092
Direct Operating Expenses ⁽³⁾⁽⁵⁾	903,099	1,177,711	1,144,538	1,003,125	770,992
Telephone and Utilities	905,400	908,271	932,896	910,930	854,109
Administrative Overhead	<u>243,976</u>	<u>269,884</u>	<u>258,369</u>	<u>265,417</u>	<u>255,987</u>
Total Operating Expenses	\$4,421,814	\$4,857,480	\$4,848,866	\$4,716,249	\$4,524,180
Net Operating Income	\$3,743,351	\$3,318,936	\$3,501,178	\$3,483,434	\$2,648,936
Interest on Investments	<u>26,707</u>	<u>43,381</u>	<u>118,785</u>	<u>208,388</u>	<u>199,364</u>
Net Operating Income Plus Interest	\$3,770,058	\$3,362,317	\$3,619,963	\$3,691,822	\$2,848,300
Other Expenses					
Net Transfers to USFFC for Debt Service ⁽⁶⁾	\$1,798,298	\$2,401,595	\$2,397,645	\$2,398,095	\$2,401,995
Net Transfers to (from) other USF Funds ⁽⁷⁾	416,154	435,796	672,968	148,325	6,386
Capital Outlay & Major Improvements	<u>12,556</u>	<u>64,793</u>	<u>147,966</u>	<u>0</u>	<u>0</u>
Total Other Expenses	\$2,227,008	\$2,902,184	\$3,218,579	\$2,546,420	\$2,408,381
Net Change in Fund Balance	\$1,543,050	\$460,133	\$401,384	\$1,145,402	\$439,919
Fund Balance Beginning of Year	<u>7,966,144</u>	<u>9,509,194</u>	<u>9,969,327</u>	<u>10,370,711</u>	<u>11,516,113</u>
Fund Balance End of Year	<u>\$9,509,194</u>	<u>\$9,969,327</u>	<u>\$10,370,711</u>	<u>\$11,516,113</u>	<u>\$11,956,032</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 from fiscal year 2016 to fiscal year 2019 coinciding with increases in student headcount and student credit hours.
- (3) In March 2020, the University of South Florida converted to remote instruction in response to the public health crisis created by the COVID-19 pandemic. Marshall Center Use Fees and Retail and Rental Revenue in fiscal year 2020 were adversely affected by the pandemic. Simultaneously, the Marshall Student Center implemented cost-cutting measures to preserve essential liquidity and maintain lease payments.
- (4) 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.
- (5) The increase in direct operating expenses in fiscal year 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.
- (6) 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 a portion of debt service in fiscal year 2016; therefore, reducing the net transfer to USFFC for that year only.
- (7) 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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Marshall Center Use Fees	\$3,822,812	\$3,852,817	\$3,876,925	\$3,887,026	\$3,161,528
Allocable Portion of the A&S Fees	2,793,308	2,785,854	2,877,796	2,766,978	2,782,779
Retail and Rental Revenues	<u>1,549,045</u>	<u>1,537,745</u>	<u>1,595,323</u>	<u>1,545,679</u>	<u>1,228,809</u>
Total Marshall Center Revenues ⁽¹⁾	\$8,165,165	\$8,176,416	\$8,350,044	\$8,199,683	\$7,173,116
Net Operating Income Plus Interest	\$3,770,058	\$3,362,317	\$3,619,963	\$3,691,822	\$2,848,300
Annual Debt Service ⁽²⁾	\$2,393,195	\$2,400,395	\$2,370,445	\$2,355,845	\$2,420,245
Coverage Ratio	3.41	3.41	3.52	3.48	2.96
Net Coverage Ratio	1.58	1.40	1.53	1.57	1.18

NOTES

- (1) In March 2020, the University of South Florida converted to remote instruction in response to the public health crisis created by the COVID-19 pandemic. Marshall Center Use Fees and Retail and Rental Revenue in fiscal year 2020 were adversely affected by the pandemic. Simultaneously, the Marshall Student Center implemented cost-cutting measures to preserve essential liquidity and maintain lease payments.
- (2) Annual Debt Service represents the actual Principal and Interest paid to bondholders.