

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 years 2020 and 2021 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>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Assets ⁽¹⁾					
Cash & Investments	\$7,482,270	\$7,859,554	\$9,084,578	\$9,407,794	\$10,346,739
Designated Reserves ⁽²⁾	2,402,712	2,405,591	2,410,433	2,506,663	2,507,329
Accounts Receivable	<u>92,849</u>	<u>136,514</u>	<u>24,116</u>	<u>46,176</u>	<u>165,710</u>
Total Assets	<u>\$9,977,831</u>	<u>\$10,401,659</u>	<u>\$11,519,127</u>	<u>\$11,960,633</u>	<u>\$13,019,778</u>
Liabilities					
Current Liabilities	<u>\$8,504</u>	<u>\$30,948</u>	<u>\$3,014</u>	<u>\$4,601</u>	<u>\$1,826</u>
Total Liabilities	<u>\$8,504</u>	<u>\$30,948</u>	<u>\$3,014</u>	<u>\$4,601</u>	<u>\$1,826</u>
Net Change in Fund Balance	\$460,133	\$401,384	\$1,145,402	\$439,919	\$1,061,920
Fund Balance Beginning 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>
Fund Balance End of Year	<u>\$9,969,327</u>	<u>\$10,370,711</u>	<u>\$11,516,113</u>	<u>\$11,956,032</u>	<u>\$13,017,952</u>
Total Liabilities and Fund Equity	<u>\$9,977,831</u>	<u>\$10,401,659</u>	<u>\$11,519,127</u>	<u>\$11,960,633</u>	<u>\$13,019,778</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, plus interest earned thereon.

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>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Operating Income					
Marshall Center Use Fees ⁽²⁾⁽³⁾	\$3,852,817	\$3,876,925	\$3,887,026	\$3,161,528	\$3,927,923
Allocable Portion of the A&S Fees ⁽⁴⁾	2,785,854	2,877,796	2,766,978	2,782,779	2,992,086
Retail and Rental Revenues ⁽³⁾	<u>1,537,745</u>	<u>1,595,323</u>	<u>1,545,679</u>	<u>1,228,809</u>	<u>315,463</u>
Total Operating Income	\$8,176,416	\$8,350,044	\$8,199,683	\$7,173,116	\$7,235,472
Operating Expenses ⁽³⁾					
Salaries and Benefits	\$2,501,614	\$2,513,063	\$2,536,777	\$2,643,092	\$2,512,019
Direct Operating Expenses	1,177,711	1,144,538	1,003,125	770,992	335,363
Telephone and Utilities	908,271	932,896	910,930	854,109	639,779
Administrative Overhead	<u>269,884</u>	<u>258,369</u>	<u>265,417</u>	<u>255,987</u>	<u>211,857</u>
Total Operating Expenses	\$4,857,480	\$4,848,866	\$4,716,249	\$4,524,180	\$3,699,018
Net Operating Income	\$3,318,936	\$3,501,178	\$3,483,434	\$2,648,936	\$3,536,454
Interest on Investments	<u>43,381</u>	<u>118,785</u>	<u>208,388</u>	<u>199,364</u>	<u>42,810</u>
Net Operating Income Plus Interest	\$3,362,317	\$3,619,963	\$3,691,822	\$2,848,300	\$3,579,264
Other Revenues (Expenses)					
Net Transfers (to) USFFC for Debt Service ⁽⁵⁾	\$(2,401,595)	\$(2,397,645)	\$(2,398,095)	\$(2,401,995)	\$(2,398,195)
Net Transfers (to) other USF Funds ⁽⁶⁾	(435,796)	(672,968)	(148,325)	(6,386)	(58,443)
Capital Outlay & Major Improvements	<u>(64,793)</u>	<u>(147,966)</u>	<u>0</u>	<u>0</u>	<u>(60,706)</u>
Total Other Expenses	\$(2,902,184)	\$(3,218,579)	\$(2,546,420)	\$(2,408,381)	\$(2,517,344)
Net Change in Fund Balance	\$460,133	\$401,384	\$1,145,402	\$439,919	\$1,061,920
Fund Balance Beginning 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>
Fund Balance End of Year	<u>\$9,969,327</u>	<u>\$10,370,711</u>	<u>\$11,516,113</u>	<u>\$11,956,032</u>	<u>\$13,017,952</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.
- (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 years 2020 and 2021 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 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.
- (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>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Marshall Center Use Fees	\$3,852,817	\$3,876,925	\$3,887,026	\$3,161,528	\$3,927,923
Allocable Portion of the A&S Fees	2,785,854	2,877,796	2,766,978	2,782,779	2,992,086
Retail and Rental Revenues	<u>1,537,745</u>	<u>1,595,323</u>	<u>1,545,679</u>	<u>1,228,809</u>	<u>315,463</u>
Total Marshall Center Revenues ⁽¹⁾	\$8,176,416	\$8,350,044	\$8,199,683	\$7,173,116	\$7,235,472
Net Operating Income Plus Interest	\$3,362,317	\$3,619,963	\$3,691,822	\$2,848,300	\$3,579,264
Annual Debt Service ⁽²⁾	\$2,400,395	\$2,370,445	\$2,355,845	\$2,420,245	\$2,395,895
Coverage Ratio	3.41	3.52	3.48	2.96	3.02
Net Coverage Ratio	1.40	1.53	1.57	1.18	1.49

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 years 2020 and 2021 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.